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LEGISLATIVE HISTORY

Public Law 272--81st Congress

Chapter 518--1st Session

S. 1962

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COTTON CONTROLS. S. 1962, which includes provisions as follows: Authorizes the proclaration of a national marketing quota for cotton whenever the total supply exceeds the normal supply, as defined in the act. The amount of the national quota is the quantity of cotton required to make available a normal supply, taking into account carry-over and imports. The minimum national quota is the smaller of 10,000,000 bales or 1,000,000 bales less than the previous year's domestic corsumption and exports, except that for 1950 such quota may not be less than that required to provide a national acreage allotment of 21,000,000 acres. Quotas will not be in effect, however, unless approved by two-thirds of the cotton farmers voting in a refererdum.

Provides for the proclamation of a national acreage allotment which will produce the amount of the proclaimed quota. For 1950 and 1951 special provision is made for the distribution of the national acreage allotments to States and counties. For these two years, such distribution is based, for the most part, on plantings during the four years 1945-1948 with certain specified adjustments. For 1952, the national acreage allotment would be apportioned on the basis of the average plantings for the four years 1946, 1947, 1948, and 1950, and thereafter on the basis of the average plantings during the five years preceding the year in which the antional acreage allotment is proclaimed, excluding plantings in 1949.

The State acreage allotment is required to be apportioned to the counties on the same basis as to years and conditions as the national acreage allotment is apportioned to States, except that the State committee may reserve as much as 10% of the State allotment for specified adjustments in county allotments. The county allotment is required to be apportioned to farms primarily on the basis of a prescribed county percertage of cropland. The county committee may, however, reserve not over 10% of the county acreage allotment for farms on which cotton has not been produced in the past three years and for adjustments in other farm allotments.

Provides that acreage which is regarded as having been planted to cotton under Public Law 12, 79th Congress, shall be taken into account in establishing the State, county, and farm acreage allotments.

The farm marketing quota is the actual production of cotton on the farm less the "farm marketing excess." The farm marketing excess is the normal yield times the acreage in excess of the farm acreage allotment. Such excess is subject to a penalty of 50% of the parity price of cotton as of June 15 prior to the beginning of the marketing year for the crop involved.

Exempts long staple cotton from marketing quotas unless the Secretary makes a special finding that quotas are needed by reason of excessive supplies of such cotton.

Contains provisions relating to wheat and peanuts to provide for certain minimum farm wheat acreage allotments for 1950 and for a minimum national peanut acreage allotment for 1950 of 2,100,000 acres. Provision is also made for the apportionment of the national peanut acreage allotment in 1951, and thereafter, by increasing or decreasing 1950 State acreage allotments proportionately as the national allotment is increased or decreased.

INDEX AND SUMMARY OF HISTORY ON S. 1962

May 27, 1949 — S. 1962 was introduced by Senator Anderson and others and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. Remarks of the author.

June 14, 1949 — Hearings: Senate, S. 1962.

June 29, 1949 — Senate Committee reported S. 1962 with an amendment. Senate Report 597. Print of the bill as reported.

H. R. 5392 was introduced by Rep. Pace and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).

Hearings: House, H. R. 5392.

Print of an amendment proposed by Senator Johnson to S. 1962.

July 6, 1949 — Senate debated and passed S. 1962 with amendment.

July 7, 1949 — Print of S. 1962 as referred to the House Committee on Agriculture.

July 25, 1949 — H. R. 5738 was introduced by Rep. Pace and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Companion bill).

August 1, 1949 — House Committee reported H. R. 5738 with amendment. House Report 1148. Print of the bill as reported.

House Rules Committee reported House Resolution 304 for the consideration of H. R. 5738. House Report 1157. Print of the resolution.

August 3, 1949 — House debated and passed H. R. 5738 as reported. Action vacated on house bill and language substituted for that of S. 1962. During the debate the following amendments were rejected or ruled out of order:
By Rep. Beckworth, providing for a minimum allotment, in general, which would produce 4 bales of cotton (pp. 10934-5).
By Rep. Beckworth, providing for a similar minimum in the case of veterans who produced cotton before the war (pp. 10935-7).
By Rep. Polk, to strike out the provision regarding wheat allotments for new areas (p. 10937).
By Rep. Beckworth, to provide for minimum cotton allotments of 5 acres (p. 10937).
By Rep. Wickersham, to provide that the cotton allotments for the states shall be at least the average of the 1942-3 allotments (pp. 10937-8).

August 4, 1949 — Senate Conferees appointed.

Extension of remarks of Rep. Cooley.

August 5, 1949 — House Conferees appointed.

August 11, 1949	House received the conference report. House Report 1259.
August 12, 1949	House agreed to the conference report.
August 16, 1949	Senate agreed to the conference report.
August 29, 1949	Approved. Public Law 272.

81ST CONGRESS
1ST SESSION

S. 1962

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 23), 1949

Mr. ANDERSON (for himself, Mr. CHAVEZ, Mr. HAYDEN, Mr. MCFARLAND, Mr. KNOWLAND, Mr. DOWNEY, Mr. CONNALLY, Mr. EASTLAND, Mr. STENNIS, Mr. MCCLELLAN, Mr. FULBRIGHT, Mr. ELLENDER, Mr. LONG, Mr. SPARKMAN, Mr. HILL, Mr. HOEY, Mr. MAYBANK, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. PEPPER, Mr. KEFAUVER, Mr. CHAPMAN, Mr. WITHERS, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. GRAHAM, and Mr. MCCARRAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 341 to 350, inclusive, and section 302 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"LEGISLATIVE FINDINGS

"SEC. 341.

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to cotton during the marketing year beginning in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year for which the national marketing quota is proclaimed and (2) the estimated imports during such marketing year, to make available during such marketing year a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made: *Provided,* That whenever during any year a national marketing quota is not

proclaimed for the crop of cotton produced in the next calendar year and the total supply of cotton is equal to or in excess of the normal supply, the Secretary shall proclaim a national acreage allotment, but if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to such crop, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such quota among farms pursuant to the provisions of this part.

"REFERENDUM

"SEC. 343. Not later than November 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, or a national baleage allotment and acreage allotment is proclaimed, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal conditions of production during such period: *Provided*, That there shall be allotted to each State to which an allotment is made under this subsection the smaller of five thousand acres or the highest acreage planted to cotton in any of the three years immediately preceding the year for which the allotment is made.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on

the basis of a national acreage allotment of twenty-two million five hundred thousand acres, computed and adjusted follows:

"(1) The average of the planted acreages in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that any State having a 1948 planted cotton acreage which is less than 50 per centum of the 1943 allotment, the average of the planted acreage for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) production history of war crops in lieu of cotton for each State under the provisions of Public Law 12, Seventy-ninth Congress, as provided in subsection g (2) of this section; (B) the estimated acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (C) the acreage required as a result of the State adjustment provisions of subsection (c) (2) of this section; (D) the acreage required to determine a total national base of twenty-two million five hundred thousand acres, on a proportionate basis.

"(2) Notwithstanding any other provision of this subsection (c) (1), the acreage allotment for 1950 and 1951 for any State shall not be less than the larger of

(1) 95 per centum of the average acreage planted to cotton in the State during the years 1947 and 1948; or (2) 85 per centum of the acreage planted to cotton in the State in 1948, with a national acreage allotment of twenty-two million five hundred thousand acres;

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal conditions of production during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the basis of the acreage planted to cotton during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided,* That the State committee may reserve not to exceed 10 per centum of its State acreage allotment which shall be allotted for the purpose of adjustments in such county apportionments for trends in acreage, for abnormal conditions or production, other unusual conditions,

and to remedy injustice and hardships: *Provided further*, That in those States affected by subsection (e) (2) of this section the acreage allotment of cotton to the counties in such States be apportioned during the years 1950 and 1951 under either the provisions of (2) (1) or (2) (2) of subsection (c) of this section which ever applies to that State, the sum of which is not to exceed the total State allotment.

"(f) The county acreage allotment, less not to exceed 10 per centum thereof as provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) Five acres; or (B) the highest number of acres planted to cotton in any year of such three-year period;

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be the prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year,

on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar or any basic commodity other than cotton; or devoted primarily to orchard or vineyards, and in irrigated areas nonirrigated lands: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment for (A) establishing allotments for farms which were not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and equitable in

relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established without regard to the acreage planted to cotton or to yields in 1949, and in establishing such allotments and yields the period of years required to be used shall be selected where 1949 is within any such period by substituting for 1949 the year immediately preceding the period which would otherwise be used.

"(2) In determining production history for any county under Public Law 12, Seventy-ninth Congress, the Secretary shall require that the production history determined for each crop-reporting district used by the Bureau of Agricultural Economics be allocated pro rata to all counties within such district unless the State committee finds that such method of allocation does not provide a fair and equitable distribution of the production of war crops in lieu of cotton in all such counties, in which event the State committee may make adjustments in the allocation among such counties so as to

reflect more accurately the production of war crops in lieu of cotton in each such county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farms.

"(4) For any year any part of the acreage allotted to individual farms in any county which it is determined by the Secretary through the county committee will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and shall be apportioned, (1) proportionately to all of the eligible farms in the county and (2) if there is any acreage remaining undistributed, it shall be apportioned in amounts determined to be fair and reasonable to farms in the same county receiving allotments which are inadequate and not representative in view of the past production history of cotton on such farms: *Provided*, That this paragraph shall not operate to raise the cotton acreage of any farm above 60 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(5) If the acreage planted to cotton on any farm is less than the smaller of (A) 90 per centum of the farm acreage allotment, or (B) the acreage allotment less one acre, for two successive years, the acreage allotment next established for such farm shall be reduced by the average amount (expressed as a percentage) of such deficiency, unless the owner or operator of the farm had indicated in writing to the county committee not later than a date set by the committee his intention not to plant the full acreage allotment and had released for that year the unused acreage to the committee for reallocation to other farms in the county.

"(h) Notwithstanding any other provisions of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State, or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for the other farms in the same area which are similar for the past

acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is farmed under the auspices of a Federal or State agency for research purposes.

"(j) State and county committees shall be required to make available for public inspection all records pertaining to acreage allotments and marketing quotas.

"FARM-MAKETING QUOTAS

"SEC. 345. (a) The farm-marketing quota for cotton for any farm for any marketing year shall be an amount of cotton equal to the sum of—

"(1) the normal production or the actual production, whichever is the greater, of the farm-acreage allotment; and

"(2) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

"(b) In any marketing year in which marketing quotas are in effect, cotton produced from acreage planted in the calendar year in which such marketing year begins shall be

subject to quotas even though it is marketed prior to the date on which such marketing year begins.

"PENALTIES

"SEC. 346. Any farmer who, while farm marketing quotas are in effect, markets cotton in excess of the farm marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to a penalty at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of the beginning of such marketing year.

"EXTRALONG STAPLE COTTON

"SEC. 347. (a) The provisions of this part shall not apply to cotton, the staple of which is one and one-half inches or more in length or to extralong staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extralong staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for the marketing year beginning in such calendar year will

exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."

Section 302 (e) as amended is hereby amended to read:

"Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors, be equal to the level determined as provided in this section for such marketing year, except for cotton, the support for which will be made on the basis of seven-eights Middling spot cotton on the ten markets designated by the Secretary with appropriate adjustments for grade, type, staple, quality, location, and other factors."

81ST CONGRESS
1ST SESSION

S. 1962

A BILL

To amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. ANDERSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. MCFARLAND, Mr. KNOWLAND, Mr. DOWNEY, Mr. CONNALLY, Mr. EASTLAND, Mr STENNIS, Mr. MCCLELLAN, Mr. FULBRIGHT, Mr. ELLENDER, Mr. LONG, Mr. SPARKMAN, Mr. HILL, Mr. HOEY, Mr. MAYBANK, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. PEPPER, Mr. KEFAUVER, Mr. CHAPMAN, Mr. WITHERS, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. GRAHAM, and Mr. MCCARRAN

MAY 27 (legislative day, MAY 23), 1949
Read twice and referred to the Committee on Agriculture and Forestry

2. Whereas the Republican Party has always supported the idea of conservation and flood control; and

Whereas the Government may as an outgrowth of its powers under the regulation of interstate commerce clause (article I, section 8, clause 3) of the Constitution undertake projects of this nature; and

Whereas the Government can undercut private producers when selling the incidental byproducts of these projects; and

Whereas governmental competition with private utilities is an encroachment upon their rights: Be it

Resolved, That the Government and the Republican Party, as a portion thereof, insure incorporation of private corporations in the sale of incidental byproducts of such projects, as a protection of their just rights under the Constitution of the United States.

X. HOUSING

The Republican Party, realizing the scarcity of housing and also realizing that private enterprise at this time is incapable of completely handling the housing needs of the people, stresses that a certain amount of Government action is needed to meet the situation.

We therefore favor the principle of temporary rent control—

(a) coupled with the principle of decontrol by local authorities where they have the approval of the governor of their State.

(b) and with due provision made for the allowance of rent increases when the landlord can show just cause.

The balance of the housing panel was not considered by the conference because of a vote to adjourn. The balance of the housing panel's report is printed below, without comment.

The Government has a responsibility to see that adequate housing is provided to the American people. This should be done by encouraging private enterprise where possible, but by direct action where necessary.

A. In order to provide adequate housing, production costs must be decreased and productivity increased. Two of the main barriers to cost reduction and increased production are the multiplicity of antiquated and conflicting local building codes and the restrictive practices of labor unions in the building field. We therefore urge Federal, State, and local governments to use all power in their jurisdiction to do away with these twin restrictions.

We specifically urge the enactment of a law that will enumerate and define as illegal all featherbedding practices in the building field.

B. We feel that the health and security of the Nation demands an adequate program of slum clearance. Since this is one field in which private enterprise cannot function, we feel that Government action is necessary.

However, slums are essentially a community problem, and local authorities are most competent to deal with it. Therefore, we urge that the actual slum-clearance programs be initiated by local communities, who shall have the option of doing the job themselves or hiring private contractors to do the job for them.

Since, however, local communities rarely have the resources to undertake projects of this sort, we urge that the Federal Government issue them loans and grants for this purpose.

In order that the housing projects erected in these slum-clearance programs be used for the purposes for which they were built, we urge that appropriate legal action be taken to insure that first preference for occupancy goes to families that are displaced when the slum dwellings are torn down, and that local authorities be required to set maximum income limits for admission to, and continued occupancy in, these projects, and that initial preference be given to families with the most urgent housing needs.

We further urge that local authorities be required not to discriminate against families whose incomes are derived in whole or in part from public assistance, but who are otherwise eligible for admission.

C. We favor the manipulation of the tax structure to encourage the building of low-cost rental housing.

D. In order to encourage the building of low cost homes for that middle income group that neither requires direct Government aid nor is able to pay the high housing prices now prevailing, we further favor the continuation and expansion of the principles of the FHA.

We also feel that FHA loans should be granted for the building of cooperative housing projects and for the manufacturing of prefabricated houses with due provision taken to insure that these latter meet approved housing standards:

E. Since most of these provisions enumerated above are contained in Senate bill 1070, we urge the enactment of this bill into law, and further urge that all provisions enumerated above that are not contained in S. 1070 be enacted into supplementary legislation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

S. 595. A bill relating to the internal security of the United States; with an amendment (Rept. No. 427).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

H. R. 1158. A bill to provide for the conveyance by the United States to the city of Marfa, Tex., of certain lands formerly owned by that city; without amendment (Rept. No. 429);

H. R. 1338. A bill authorizing the transfer to the United States section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort Brown at Brownsville, Tex., and adjacent borrow area, without exchange of funds or reimbursement; with an amendment (Rept. No. 430); and

H. R. 3005. A bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government; with amendments (Rept. No. 428).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 27, 1949, he presented to the President of the United States the enrolled bill (S. 969) to transfer the Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. ANDERSON (for himself, Mr. CHAVEZ, Mr. HAYDEN, Mr. MCFARLAND, Mr. KNOWLAND, Mr. DOWNEY, Mr. CONNALLY, Mr. EASTLAND, Mr. STENNAS, Mr. MCCLELLAN, Mr. FULBRIGHT, Mr. ELLENDER, Mr. LONG, Mr. SPARKMAN, Mr. HILL, Mr. HOEY, Mr. MAYBANK, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. PEPPER, Mr. KEFAUVER, Mr. CHAPMAN, Mr. WITHERS, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. GRAHAM, and Mr. MCCARRAN) introduced Senate bill 1962, to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. DOUGLAS:

S. 1963. A bill for the relief of Augusto Segre; to the Committee on the Judiciary.

By Mr. HILL:

S. 1964. A bill for the relief of Andrew Calloway, Ira Calloway, and W. F. Steiner; to the Committee on the Judiciary.

(Mr. MALONE introduced Senate bill 1965, to amend the Tariff Act of 1930, and for other purposes, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. O'MAHONEY (by request):

S. 1966. A bill to authorize public improvements in Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McMAHON:

S. 1967. A bill for the relief of Ella Maria Nyman; to the Committee on the Judiciary.

By Mr. DOUGLAS (for himself, Mr. MYERS, Mr. MCGRATH, Mr. HUMPHREY, Mr. BALDWIN, and Mr. IVES):

S. J. Res. 98. Joint resolution to establish the Near East Survey Commission; to the Committee on Foreign Relations.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, RELATING TO COTTON MARKETING QUOTAS

Mr. ANDERSON. Mr. President, on behalf of my colleague, the senior Senator from New Mexico [Mr. CHAVEZ], the Senators from Arizona [Mr. HAYDEN and Mr. MCFARLAND], the junior Senator from California [Mr. KNOWLAND], the senior Senator from California [Mr. DOWNEY], the Senator from Texas [Mr. CONNALLY], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], the Senators from Arkansas [Mr. MCCLELLAN and Mr. FULBRIGHT], the Senators from Louisiana [Mr. ELLENDER and Mr. LONG], the Senators from Alabama [Mr. SPARKMAN and Mr. HILL], the senior Senator from North Carolina [Mr. HOEY], the Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON], the Senators from Florida [Mr. HOLLAND and Mr. PEPPER], the junior Senator from Tennessee [Mr. KEFAUVER], the Senators from Kentucky [Mr. CHAPMAN and Mr. WITHERS], the senior Senator from Tennessee [Mr. MCKELLAR], the Senators from Oklahoma [Mr. THOMAS and Mr. KERR], the junior Senator from North Carolina [Mr. GRAHAM], the Senator from Nevada [Mr. MCCARRAN], and myself, I introduce for appropriate reference a bill relating to cotton marketing quotas. There is an additional bill from the Secretary of Agriculture covering the whole field.

The bill (S. 1962) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

HOME RULE FOR THE DISTRICT OF COLUMBIA—AMENDMENTS

Mr. EASTLAND (for himself and Mr. JOHNSTON of South Carolina) submitted amendments intended to be proposed by them, jointly, to the bill (S. 1527) to provide for home rule and reorganization in the District of Columbia, which were ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other pur-

poses, was read twice by its title and referred to the Committee on Appropriations.

SPIRITUAL INTERPRETATION OF PREAMBLE TO NORTH ATLANTIC PACT

Mr. WILEY. Mr. President, our colleague the senior Senator from New Jersey [Mr. SMITH], in conjunction with other Senators, has prepared a resolution. I ask unanimous consent that I may be permitted to submit the resolution and speak on it not to exceed 5 minutes.

Mr. LUCAS. Mr. President, under the agreement just entered into, I will have to object.

The VICE PRESIDENT. Objection is heard.

Mr. WILEY. I ask to submit the resolution and speak on it, at the request of a brother who is sick, and has been sick for some 10 days.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LUCAS. Will not the Senator wait until other Senators have placed whatever routine matters they wish to place in the RECORD? Then the Senator can secure the floor and speak on the resolution.

Mr. WILEY. I will do so. I am very happy to have the Senator's suggestion.

BRITISH FILM QUOTAS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated May 26, 1949, which was received by Mr. Eric Johnston, president, Motion Picture Association, from Acting Secretary of State James E. Webb, relative to the British film quotas, and a letter which my senior colleague [Mr. DOWNEY] and I sent to the Secretary of State last night relative to the British position.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Mr. ERIC JOHNSTON,
President, Motion Picture Association, Washington, D. C.

DEAR MR. JOHNSTON: With your letter of March 31, 1949, you attached a memorandum relating to the British film quota and requesting that the State Department attempt to negotiate a reduction in this quota. As you know the Department took this matter up with British officials in early April. The Department has now received a response from the British Government to the protest made at that time. This response was substantially as follows.

The British Government states that the quota which was fixed by Parliament, cannot be modified at the present time. It hopes, however, that as a result of the recent meetings in Washington between certain members of the American and British film industries and those scheduled to take place early in June an improvement in the relations between the two groups may be effected.

The British Government states that it feels that the quota in no way contravenes the General Trade Agreement or any other legal commitment, that the British Government had the same right to raise this quota as the United States or any other government would have to raise an import duty with respect to which it had made no commitments. It believes that the quota is consistent with and a necessary part of the British effort to build up production and trade looking toward an improvement in the British balance of trade situation. The British Government contends also that the quota is reasonable from the standpoint of British film production possibilities although the quota was not entirely filled with British features during the first year. This fact presumably accounted for the reduction in the quota from 45 percent to 40 percent for the second year. Finally the British Government expresses surprise that the setting up of the film quota should have been necessarily unexpected by the American film industry or interpreted as an act of bad faith as a consequence of any understanding between the industry and the British Government in connection with the film agreement of 1948.

I am sorry to have to transmit an unfavorable reply to you particularly in view of the efforts which have been made toward getting a modification of the quota. The Department is studying the response which the British Government has made in this case.

Sincerely yours,

JAMES E. WEBB,
Acting Secretary.

MAY 26, 1949.

Hon. DEAN ACHESON,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: Following conversations which we have had this week with representatives of the Department of State, we should now like to make clear to you our deep concern with reference to the British Government's action in rejecting the State Department's protest against the highly restrictive quota which the British Government has directed against American motion pictures.

We regard the British reply as most unsatisfactory and clearly revealing the British intention not to abide by the spirit and purpose of solemn obligations under international agreements.

In our opinion, the British attitude has seriously damaged the cause of reciprocal trade to which this Government in the interest of promoting the flow of commerce and trade around the world has been so strongly committed. The very basis of the reciprocal principle is cooperation among nations. The British position on the new 40-percent film quota is singular evidence of a spirit of noncooperation. Reciprocity cannot continue on a one-sided basis.

The Reciprocal Trade Agreement Act is shortly coming before the Senate. We should think that the State Department would want to move immediately and energetically with the British Government to correct the aggravated situation created by the imposition of the film quota.

When the British Government, in its reply, speaks of the discussions between the leaders of the British and American film industries through the Anglo-American Film Advisory Council and suggests that action on the governmental level be held up pending the outcome of these talks, it is evading the issue of the quota.

Private industry can do nothing about the quota. This is a governmental matter. Only the British Government can provide relief from its onerous provisions. The British Government is responsible and no evasive words can shift that responsibility.

As the quota, in our judgment, threatens to undermine our Government's efforts in behalf of reciprocal trade, we request you send a formal protest to the British Government insisting that it negotiate with our Government to reduce or eliminate this quota.

Article IV of the General Agreement on Tariffs and Trade, to which both countries are parties, specifically provides for such negotiations; these should commence without delay. Article IV is further reinforced by article XXII which requires the contracting parties to "accord sympathetic consideration to and shall afford adequate opportunity for consultation" with respect to matters, including quotas, affecting the operation of the agreement.

Inasmuch as we intend to go into the British film quota thoroughly when the Reciprocal Trade Agreement Act is before the Senate, we desire your assurance at the earliest date that the Department of State has formally protested to the British Government requesting the opening of negotiations on the film quota.

Sincerely yours,

SHERIDAN DOWNEY.
WILLIAM F. KNOWLAND.

THE TENNESSEE VALLEY AUTHORITY—STATEMENT BY SENATOR TAYLOR

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a statement by him on the Tennessee Valley Authority, published in the Lewiston (Idaho) Tribune of May 22, 1949, which appears in the Appendix.]

THE COLUMBIA VALLEY AUTHORITY PLAN—ARTICLES BY PETER EDSON

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD two articles on the Columbia Valley Authority plan, written by Peter Edson and published in the Washington Daily News of May 24 and 25, 1949, which appear in the Appendix.]

THE NORTH ATLANTIC PACT IN INTERNATIONAL LAW—ADDRESS BY GEORGE A. FINCH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "The North Atlantic Pact in International Law," delivered by George A. Finch, vice president of the American Society of International Law, before the annual meeting of the society at Washington, D. C., on April 29, 1949, which will appear hereafter in the Appendix.]

GRAIN STORAGE PROGRAM—ADDRESS BY WALTER R. SCOTT

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD an address on the subject of the grain storage program, delivered by Walter R. Scott, executive vice president of the Board of Trade of Kansas City, Mo., at the annual meeting of the Kansas Grain, Feed, and Seed Dealers Association at Wichita, Kans., on May 21, 1949, which appears in the Appendix.]

POPPY-MAKING PROGRAM OF VETERANS—ADDRESS BY DR. RUTH MILLER STEESE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a radio address delivered by Dr. Ruth Miller Steese, past State president of the American Legion Auxiliary of Pennsylvania on May 24, 1949, which appears in the Appendix.]

DECARTELIZATION IN GERMANY—ARTICLE BY ARTHUR MASSOLO

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "AMG Firing Saves 'Food Hitler'—Crackdown Is on Foes of Cartels," published in the New York Post on May 22, 1949, which appears in the Appendix.]

SUBSTITUTION OF NATURAL GAS FOR COAL BY ATOMIC ENERGY COMMISSION

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a letter addressed to him by the National Coal Association, together with a statement prepared by the Fuels Research Council, Inc., regarding the proposal of the Atomic Energy Commission to substitute natural gas for coal at Oak Ridge, Tenn.]

Calendar No. 595

81st Congress, 1st Session | SENATE | Report No. 597

COTTON MARKETING QUOTAS AND ACREAGE ALLOTMENTS

June 29 (legislative day, June 2), 1949.—Ordered to be printed

Mr. Anderson, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1962]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1962) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, report thereon with a recommendation that it do pass with an amendment.

BACKGROUND OF LEGISLATION

Gains for the economy of the Nation from the avoidance of chaotic production and financial conditions in agriculture have established farm production adjustments and farm price supports as an integral part of national policy. The maintenance of an orderly and balanced flow of commodities in interstate and foreign commerce and of farm purchasing power has required the use of marketing quotas and acreage allotments. The system of marketing quotas and acreage allotments must be practical, efficient, and equitable to achieve desired results. Existing laws, relating to cotton, do not provide such a program largely because of current trends in production and consumption.

The Agricultural Adjustment Act of 1938, as amended, now provides for a minimum national cotton acreage allotment of approximately 27,400,000 acres, whereas the actual 1948 acreage was only 23,372,000 acres. The 1948 acreage produced 14,626,000 bales of cotton whereas a year's average domestic consumption and exports are now approximately 12,000,000 bales. Obviously, a control program which cannot bring the acreage below 27,400,000 acres could result in a crop several million bales beyond current needs and would, therefore, be no control program at all.

The past few years have witnessed a tremendous increase in cotton acreage in California, New Mexico, Arizona, Texas, and Missouri.

The combined cotton acreage of those five States has increased from 8,897,000 acres in 1943 to 10,808,000 acres in 1948, or 1,911,000 acres. In contrast, the total national increase was from 21,900,000 acres in 1943 to 23,372,000 acres in 1948, or only 1,472,000 acres. Reports from the industry indicate a substantial increase in acreage in 1949 over that of 1948 throughout the Cotton Belt. Unofficial estimates indicate approximate plantings of 26,000,000 acres for the current year.

The necessity for improvements in the competitive position of cotton requires that acreage adjustments in cotton contribute more in the future to the development of efficient farming systems in each part of each cotton-growing State. Too drastic a cut in cotton acreages in any one year in any area would greatly disrupt farming systems, lower farm incomes markedly, and contribute to higher costs throughout the cotton industry.

Therefore, the problems confronting the industry are threefold: the system of marketing quotas must adjust the flow of cotton into the market effectively; the adjustments must reflect current trends in production and consumption; and the program must avoid too drastic a cut in cotton acreages in any one year on farms in any area.

HISTORY OF LEGISLATION

Consideration of these problems has been continuous in the industry for more than a year. Producer groups, local farm organizations, ginners, and others interested in the cotton industry have held numerous local meetings. These meetings led to county, State, and regional meetings and culminated in a belt-wide cotton conference in Memphis, Tenn., April 23 and 24, 1949, At that conference, the proposed system of cotton-marketing quotas and acreage allotments contained in S. 1962 was agreed upon.

Following introduction of S. 1962 in the Senate, the chairman of the Committee on Agriculture and Forestry appointed a subcommittee to consider the bill. The subcommittee conducted hearings and conferred with all groups and persons interested in the subject. The subcommittee reported the bill to the full committee favorably, incorporating various technical and clarifying amendments. These amendments are included in the amendment to the bill as reported by your committee.

ANALYSIS OF BILL

National marketing quota

S. 1962 provides that whenever during any calendar year the total supply of cotton exceeds the normal supply by more than 8 percent, or whenever the total supply is equal to or greater than normal supply and the price of cotton at the beginning of such marketing year is 90 percent of parity or less, a national marketing quota must be proclaimed by October 15 and shall be in effect during the marketing year beginning in the next calendar year. Referendum procedures are required in general accordance with marketing-quota programs for other farm products.

The marketing quota shall be an amount which will, together with the estimated carry-over at the beginning of the marketing year and the estimated imports during the marketing year, make available a normal supply of cotton during the marketing year. However, the

national marketing quota may not be less than the smaller of 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the previous marketing year.

National acreage allotment

A national acreage allotment will be proclaimed whenever (*a*) the total supply of cotton is equal to or in excess of the normal supply, (*b*) national marketing quotas have been proclaimed, or (*c*) if the Secretary of Agriculture considers allotments necessary for the effective operation of the price-support program. The introduction of acreage allotments whenever the supply exceeds normal will provide less drastic controls than marketing quotas when a surplus first threatens. Yet, such allotments will indicate to the individual cotton farmer that he must move slowly in cotton production or face a burdensome supply situation and the probable necessity of marketing quota proclamations. The use of acreage allotments for controls, as the total supply exceeds normal, reflects the fundamental idea that production adjustment should not be too extreme in any one year.

The national acreage allotment shall be that acreage, based upon the national average yield per acre of cotton for the 5 years immediately preceding the calendar year in which the marketing quota is proclaimed, required to make available a supply of cotton equal to the national marketing quota.

Apportionment of the national acreage allotment

The bill provides for a national acreage allotment base to be used in apportioning to the States the actual national acreage allotment which may be found necessary in 1950 or 1951. The national acreage allotment base and the outlined division among the States will complement the minimum national marketing quota provisions to permit a gradual reduction of any excessive carry-over. Avoidance of severe repercussions from drastic cuts on cotton farms in any area in any one year is just as fundamental in the efforts to remove an accumulated surplus as it is in the prevention of the accumulation of excessive supplies.

For the years 1950 and 1951 the national acreage allotment base will be divided among the States in the following manner:

1. The average of the acreages planted (or regarded under Public Law 12, 79th Cong., as planted) in the States for the years 1945, 1946, 1947, and 1948, or the years 1944, 1945, 1946, 1947, and 1948 for those States having had a 1948 planted acreage which was less than 50 percent of the 1943 allotment.

2. The acreage required (in addition to the acreage which would otherwise be allotted to a State) to allot the smaller of (*a*) 5 acres or (*b*) the highest number of planted acres during the last 3 years to each old cotton farm.

3. A number of acres necessary to increase each State's total to at least 85 percent of the 1948 planted acreage or 95 percent of the 1947–48 average of planted acreage, and

4. The acreage required to complete the base of 22,500,000 acres, to be distributed on a proportionate basis among States receiving no adjustment under item 3.

The bill provides that in making any computation of planted acreages for the purpose of marketing quotas and acreage allotments, credit will be given to those farms on which acreage will be considered

to have been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress.

If the national acreage allotment for 1950 or 1951 is more or less than 22,500,000 acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to 22,500,000 acres. If, for example, the State of Louisiana would receive 967,000 acres as its share of the national acreage allotment base of 22,500,000 acres, and the actual national acreage allotment for 1950 were 10 percent less than 22,500,000 acres, then the State of Louisiana would receive an actual allotment of 967,000 acres minus 10 percent or 870,300 acres. As another example, the State of California would receive 689,000 acres as its share of the 22,500,000-acre allotment base; therefore, 620,000 acres would be its acreage allotment if the national acreage allotment were 10 percent less than 22,500,000 acres.

Since acreages "regarded as planted to cotton" under the provisions of Public Law 12 are being determined by a farm-by-farm survey which is being conducted currently by the United States Department of Agriculture, it is not possible to determine the exact share for each State of the national acreage allotment base at this time.

The national acreage allotment for 1952, if any, shall be apportioned among the States on the basis of the acreage planted in the years 1946, 1947, 1948, and 1950.

The national acreage allotment for 1953 and all subsequent years shall be apportioned among the States on the basis of the acreage planted during the five calendar years immediately preceding the calendar year in which such allotment is effective. However, the year 1949 shall be excluded in any such computation because of Public Law 28, Eighty-first Congress, and there shall be substituted therefor the year immediately preceding the period which otherwise would be used.

In allotting the national acreage allotment to the States, any State allotment shall not be less than the smaller of (*a*) 4,000 acres or (*b*) the highest acreage planted to cotton in any one of the three calendar years (including 1949 if such year would be included but for the provisions of Public Law 28, 81st Cong.) immediately preceding the year for which the allotment is made.

Apportionment of the State acreage allotment

The State acreage allotment shall be apportioned to the counties on the same basis as to years and conditions as the national allotment is allocated to the States. However, the State committee may reserve 10 percent (15 percent in the case of those States having a 1948 planted acreage less than half its 1943 allotment) which shall be allotted for the purpose of adjustments, either in county apportionments or in farm acreage allotments, for trends in acreage, for abnormal conditions of production, other unusual conditions, and to remedy injustice and hardships. The bill also provides that the county committee may reserve the same respective percentages of its allotment for the same purposes. It is recognized that this provision will place heavy responsibilities on the local committees in administering the law, but your committee believes that these farmer groups will have such personal knowledge of individual cases as to guarantee equitable and satisfactory allocations.

Apportionment of the county acreage allotment

The county acreage allotment, less the reserve noted above, shall be distributed in much the same manner as now provided in the Agricultural Adjustment Act of 1938. First, the smaller of (*a*) 5 acres or (*b*) the highest number of acres planted to cotton in any of the past 3 years shall be allotted to each farm, and second, the remainder shall be allotted to farms other than those receiving an allotment under item (*b*) to make their total allotment a prescribed percentage of their total tilled acreage, excluding from such tilled acreage that acreage planted to certain crops enumerated in the bill. However, no farm can receive an allotment which is larger than the largest acreage planted in any one year during the 3-year period.

The bill also provides that whenever it is determined that any part of a farm acreage allotment will not be planted, it shall be released to the county committee and reallocated to other farms in the same county for a period of 1 year, but such farms receiving additional acreage in this manner cannot be given a total allotment exceeding 60 percent of the total tilled acreage of such farm.

If the acreage planted to cotton is less than the farm acreage allotment by not more than the larger of 10 percent of the allotment or 1 acre, the total allotment will be regarded as having been planted. However, if the planted acreage is less than the smaller of 90 percent of the acreage allotment or the acreage allotment less 1 acre, for two successive years, the acreage allotment shall be reduced the following year by the average amount of such deficiency, unless the owner or operator of the farm had notified the county committee in writing of his intention not to plant the full acreage allotment and had released the unused acreage for reallocation to other farms in the county. In the event a planted acreage deficiency of the above extent occurs for three successive years the acreage allotment shall be reduced regardless of any such notice in writing.

Farm marketing quota

The farm marketing quota, as in the Agricultural Adjustment Act of 1938, shall equal the sum of (*a*) the normal production or the actual production, whichever is the greater, of the farm-acreage allotment; and (*b*) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

Penalties

The bill provides that cotton in excess of the farm marketing quota shall be subject to a penalty at a rate per pound equal to 50 percent of the parity price per pound for cotton as of June 15 prior to the beginning of the marketing year. The Secretary may require payment of the penalty upon a proportion of each lot of cotton marketed equal to the proportion which the acreage planted to cotton in excess of the farm acreage allotment is of the total acreage planted to cotton on the farm. This system of payment is similar to that now in effect for tobacco and peanuts.

Exemption of extra long staple cotton

Marketing quotas and acreage allotments, as provided above, shall not apply to extra long staple cotton. However, when the total

supply of such cotton exceeds the normal supply thereof by more than 10 percent, marketing quotas would be proclaimed for such cotton.

The bill also amends the Agricultural Adjustment Act of 1938 to provide that any price-support program for cotton shall be made on the basis of seven-eights Middling spot cotton on the 10 markets designated by the Secretary.

CONCLUSION

Your committee realizes the vital importance of cotton acreage adjustment legislation which will be practical in administration, effective in operation, and equitable in results. Such a program must adjust the flow of raw cotton to future consumption patterns. It must not result in changes abrupt enough to distrupt farming systems in any area in any one year or to disrupt the essential relationship of the cotton industry to other domestic industries and to cotton production in foreign countries. Those features have been considered carefully as well as the current problems of cotton acreage adjustments. With these far-reaching implications in mind and the fact that the Agricultural Adjustment Act of 1938 as it now stands would require cotton acreage allotments of more than 27,400,000 acres, your committee believes the bill as reported is desirable and presents the best solution of the problem at this time. Because of the existing cotton situation, there is a strong element of urgency in the need for this legislation. Therefore, the bill is recommended for early enactment by the Congress.

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Calendar No. 595

81st CONGRESS
1st SESSION

S. 1962

[Report No. 597]

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 23), 1949

Mr. ANDERSON (for himself, Mr. CHAVEZ, Mr. HAYDEN, Mr. MCFARLAND, Mr. KNOWLAND, Mr. DOWNEY, Mr. CONNALLY, Mr. EASTLAND, Mr. STENNIS, Mr. MCCLELLAN, Mr. FULBRIGHT, Mr. ELLENDER, Mr. LONG, Mr. SPARKMAN, Mr. HILL, Mr. HOEY, Mr. MAYBANK, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. PEPPER, Mr. KEFAUVER, Mr. CHAPMAN, Mr. WITHERS, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. GRAHAM, and Mr. MCCARRAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JUNE 29 (legislative day, JUNE 2), 1949

Reported by Mr. ANDERSON, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That sections 341 to 350, inclusive, and section 302 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:~~

~~"LEGISLATIVE FINDINGS~~

~~"SEC. 341.~~

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to cotton during the marketing year beginning in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year for which the national marketing quota is proclaimed and (2) the estimated imports during such marketing year, to make available during such marketing year a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made: *Provided*, That whenever during any year a national marketing quota is not

proclaimed for the crop of cotton produced in the next calendar year and the total supply of cotton is equal to or in excess of the normal supply, the Secretary shall proclaim a national acreage allotment, but if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to such crop, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such quota among farms pursuant to the provisions of this part.

"REFERENDUM

"SEC 343. Not later than November 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, or a national baleage allotment and acreage allotment is proclaimed, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal conditions of production during such period: *Provided,* That there shall be allotted to each State to which an allotment is made under this subsection the smaller of five thousand acres or the highest acreage planted to cotton in any of the three years immediately preceding the year for which the allotment is made.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on

the basis of a national acreage allotment of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that any State having a 1948 planted cotton acreage which is less than 50 per centum of the 1943 allotment, the average of the planted acreage for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) production history of war crops in lieu of cotton for each State under the provisions of Public Law 12, Seventy-ninth Congress, as provided in subsection g (2) of this section; (B) the estimated acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (C) the acreage required as a result of the State adjustment provisions of subsection (e) (2) of this section; (D) the acreage required to determine a total national base of twenty-two million five hundred thousand acres, on a proportionate basis.

"(2) Notwithstanding any other provision of this subsection (e) (1), the acreage allotment for 1950 and 1951 for any State shall not be less than the larger of

(1) 95 per centum of the average acreage planted to cotton in the State during the years 1947 and 1948; or (2) 85 per centum of the acreage planted to cotton in the State in 1948, with a national acreage allotment of twenty-two million five hundred thousand acres;

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal conditions of production during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the basis of the acreage planted to cotton during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment which shall be allotted for the purpose of adjustments in such county apportionments for trends in acreage, for abnormal conditions or production, other unusual conditions,

and to remedy injustice and hardships: *Provided further,* That in those States affected by subsection (c) (2) of this section the acreage allotment of cotton to the counties in such States be apportioned during the years 1950 and 1951 under either the provisions of (2) (1) or (2) (2) of subsection (c) of this section whichever applies to that State, the sum of which is not to exceed the total State allotment.

"(f) The county acreage allotment, less not to exceed 10 per centum thereof as provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) Five acres; or (B) the highest number of acres planted to cotton in any year of such three year period;

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be the prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year:

on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar or any basic commodity other than cotton; or devoted primarily to orchard or vineyards, and in irrigated areas nonirrigated lands: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment for (A) establishing allotments for farms which were not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and equitable in

relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established without regard to the acreage planted to cotton or to yields in 1949, and in establishing such allotments and yields the period of years required to be used shall be selected where 1949 is within any such period by substituting for 1949 the year immediately preceding the period which would otherwise be used.

"(2) In determining production history for any county under Public Law 12, Seventy-ninth Congress, the Secretary shall require that the production history determined for each crop-reporting district used by the Bureau of Agricultural Economics be allocated pro rata to all counties within such district unless the State committee finds that such method of allocation does not provide a fair and equitable distribution of the production of war crops in lieu of cotton in all such counties, in which event the State committee may make adjustments in the allocation among such counties so as to

reflect more accurately the production of war crops in lieu of cotton in each such county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farms.

"(4) For any year any part of the acreage allotted to individual farms in any county which it is determined by the Secretary through the county committee will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and shall be apportioned, (1) proportionately to all of the eligible farms in the county and (2) if there is any acreage remaining undistributed, it shall be apportioned in amounts determined to be fair and reasonable to farms in the same county receiving allotments which are inadequate and not representative in view of the past production history of cotton on such farms: *Provided,* That this paragraph shall not operate to raise the cotton acreage of any farm above 60 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(5) If the acreage planted to cotton on any farm is less than the smaller of (A) 90 per centum of the farm acreage allotment, or (B) the acreage allotment less one acre, for two successive years, the acreage allotment next established for such farm shall be reduced by the average amount (expressed as a percentage) of such deficiency, unless the owner or operator of the farm had indicated in writing to the county committee not later than a date set by the committee his intention not to plant the full acreage allotment and had released for that year the unused acreage to the committee for reallocation to other farms in the county.

"(h) Notwithstanding any other provisions of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State, or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for the other farms in the same area which are similar for the past

acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is farmed under the auspices of a Federal or State agency for research purposes.

"(j) State and county committees shall be required to make available for public inspection all records pertaining to acreage allotments and marketing quotas.

"FARM MARKETING QUOTAS

"SEC. 345. (a) The farm marketing quota for cotton for any farm for any marketing year shall be an amount of cotton equal to the sum of—

"(1) the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

"(2) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

"(b) In any marketing year in which marketing quotas are in effect, cotton produced from acreage planted in the calendar year in which such marketing year begins shall be

subject to quotas even though it is marketed prior to the date on which such marketing year begins.

"PENALTIES

"SEC. 346. Any farmer who, while farm marketing quotas are in effect, markets cotton in excess of the farm marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to a penalty at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of the beginning of such marketing year.

"EXTRALONG STAPLE COTTON

"SEC. 347. (a) The provisions of this part shall not apply to cotton, the staple of which is one and one-half inches or more in length or to extralong staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extralong staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for the marketing year beginning in such calendar year will

~~exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."~~

~~Section 302 (c) as amended is hereby amended to read:~~

~~"Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors, be equal to the level determined as provided in this section for such marketing year, except for cotton, the support for which will be made on the basis of seven-eighths Middling spot cotton on the ten markets designated by the Secretary with appropriate adjustments for grade, type, staple, quality, location, and other factors."~~

That sections 342 to 350, inclusive, of the Agricultural

Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. *Whenever during any calendar year the Secretary determines (1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, or (2) that such total supply is equal to or greater than such normal supply and that the price of cotton at the beginning of such marketing year is 90 per centum of parity or less, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to cotton during the marketing year beginning in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year for which the national marketing quota is proclaimed and (2) the estimated imports during such marketing year, to make available during such marketing year a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated*

domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. *Not later than November 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.*

"ACREAGE ALLOTMENTS

"SEC. 344. *(a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acre-*

age, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota: Provided, That whenever during any calendar year a national marketing quota is not proclaimed for cotton for the marketing year beginning in the next calendar year and the total supply of cotton for such marketing year is equal to or in excess of the normal supply, or if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to the crop produced for marketing in such marketing year, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such national allotment among States, counties, and farms pursuant to the provisions of this part.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the

calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal conditions of production during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage which is less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional

acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law

12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal conditions of production during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: Provided, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be allotted for the purpose of adjustments, either in such county apportionments or in farm acreage allotments, for trends in acreage, for abnormal conditions of production, other unusual conditions, and to remedy injustice and hardships.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) Five acres; or (B) the highest number

of acres planted (or regarded as planted) to cotton in any year of such three-year period;

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be the prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: Provided, however, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (or regarded as planted) to cotton during any of the preceding three years, the acreage allotment for such farm

shall not exceed such largest acreage so planted (or regarded as planted) in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be used for (A) establishing allotments for farms which were neither used nor regarded as used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and equitable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established without regard to the acreage planted to cotton or to yields in 1949, and in establishing such allotments and yields the period

of years required to be used shall be selected where 1949 is within any such period by substituting for 1949 the year immediately preceding the period which would otherwise be used.

"(2) In determining cotton production history under the terms of Public Law 12, Seventy-ninth Congress, whatever acreage is 'regarded' as having been planted to cotton because of the production of war crops or because the owner or operator was serving in the armed forces shall be taken into account in establishing farm, county, and State allotments. The Secretary shall require that adequate and proper administrative safeguards and statistical controls be placed into effect to prevent as far as possible any unreasonable or inequitable distribution of such cotton acreage credits under Public Law 12, Seventy-ninth Congress, to any farm, county, or State.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm.

"(4) For any year any part of the acreage allotted to individual farms in any county which it is deter-

mined by the Secretary through the county committee will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and shall be apportioned in amounts determined to be fair and reasonable to farms in the same county receiving allotments which are inadequate and not representative in view of the past production history of cotton on such farms: Provided, That this paragraph shall not operate to raise the cotton acreage of any farm above 60 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(5) If the acreage planted to cotton on any farm is less than the smaller of (A) 90 per centum of the farm acreage allotment, or (B) the acreage allotment less one acre, for two successive years, the acreage allotment next established for such farm shall be reduced by the average amount (expressed as a percentage) of such deficiency, unless the owner or operator of the farm had indicated in writing to the county committee not later than a date set by the committee his intention not to plant the full acreage allotment and had released for that year the unused acreage to the committee for reallocation to other farms in the county: Pro-

vided, That if the acreage planted to cotton on such farm is less than the smaller of (A) or (B) for three successive years, the allotment next established for such farm shall be reduced as provided by this paragraph, without regard to whether the owner or operator has given any such indication or release.

"(6) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(h) Notwithstanding any other provisions of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State, or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for the

other farms in the same area which are similar for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is leased or owned by a Federal or State agency and farmed by such agency for research purposes.

"(j) Notwithstanding any other provision of this Act, State and county committees shall be required to make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section or of Public Law 28, Eighty-first Congress, there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted (or regarded as planted) to cotton in any one of the three calendar years (including 1949 if such year would be included but for the provisions of such Public Law 28) immediately preceding the year for which the allotment is made.

"FARM-MARKETING QUOTAS

"SEC. 345. (a) The farm-marketing quota for cotton for any farm for any marketing year shall be an amount of cotton equal to the sum of—

"(1) the normal production or the actual production, whichever is the greater, of the farm-acreage allotment; and

"(2) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

"(b) In any marketing year in which marketing quotas are in effect, cotton produced from acreage planted in the calendar year in which such marketing year begins shall be subject to quotas even though it is marketed prior to the date on which such marketing year begins.

"PENALTIES

"SEC. 346. (a) Any farmer who, while farm-marketing quotas are in effect, markets cotton in excess of the farm-marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to a penalty on the excess so marketed at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 prior to the beginning of such marketing year.

(b) The Secretary may require payment of the penalty

upon a proportion of each lot of cotton marketed equal to the proportion which the acreage planted to cotton in excess of the farm acreage allotment is of the total acreage planted to cotton on the farm. If cotton is carried over from a previous crop, for purposes of computing the proportion of the cotton on which penalty will be collected when marketed, the total amount of cotton carried over and the proportion thereof which would have been subject to penalty if marketed in the immediately preceding marketing year shall be converted to acreages on the basis of the normal yield for the farm for the year in which the cotton was produced and such acreages shall be included in the total acreage of cotton on the farm and in the amount thereof which is in excess of the farm-acreage allotment, respectively. If the person required to collect the penalty fails to collect such penalty, such person shall be jointly and severally liable with the farmer for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations pre-

scribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive.

(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"EXTRA LONG STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this part shall not apply to cotton, the staple of which is one and one-half inches or more in length or to extra long staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extra long staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for

the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."

SEC. 2. (a) Section 302 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(e) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors be equal to the level determined as provided in this section for such marketing year, except for cotton, the support for which will be made on the basis of seven-eighths Middling spot cotton on the ten markets designated by the Secretary with

appropriate adjustments for grade, type, staple, quality, location, and other factors.''

(b) Notwithstanding the provisions of section 202 (a) of the Agricultural Act of 1948, the amendment made by subsection (a) of this section shall continue to be effective after such section 202 (a) becomes effective.

SEC. 3. (a) The amendments to the Agricultural Adjustment Act of 1938, contained in subsections (c), (d), and (e) of section 201 of the Agricultural Act of 1948 shall, insofar as they relate to cotton, become effective upon the enactment of this Act.

(b) Sections 205 and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

(c) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out ''cotton and''.

Calendar No. 595

81ST CONGRESS
1ST SESSION

S. 1962

[Report No. 597]

A BILL

To amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. ANDERSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. MCFARLAND, Mr. KNOWLAND, Mr. DOWNEY, Mr. CONNALLY, Mr. EASTLAND, Mr. STENNIS, Mr. MCCLELLAN, Mr. FULBRIGHT, Mr. ELLENDER, Mr. LONG, Mr. SPARKMAN, Mr. HILL, Mr. HOEY, Mr. MAYBANK, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. PEPPER, Mr. KEFAUVER, Mr. CHAPMAN, Mr. WITHERS, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. GRAHAM, and Mr. MCCARRAN

MAY 27 (legislative day, MAY 23), 1949
Read twice and referred to the Committee on Agriculture and Forestry

JUNE 29 (legislative day, JUNE 2), 1949
Reported with an amendment

81ST CONGRESS
1ST SESSION

H. R. 5392

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1949

Mr. PACE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines (1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, or (2) that the total supply of cotton

for the marketing year ending in such calendar year is not less than the normal supply for such marketing year and that the average farm price for cotton for three successive months of such calendar year does not exceed the parity price therefor, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than November 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for

in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota: *Provided*, That whenever during any calendar year a national marketing quota is not proclaimed for the crop of cotton produced in the next calendar year and the total supply of cotton for the marketing year beginning in the next calendar year is equal

to or in excess of the normal supply, or if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to the crop of cotton produced in the next calendar year, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such national allotment among States, counties, and farms pursuant to the provisions of this part.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including

acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted (or regarded as planted) cotton acreage which is less than 50 per centum for the 1943 allotment, the average of the acreage planted (or regarded as planted) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State

during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the apportionment of the national allotment to States under subsections (b), (c), and (d) of this section: *Provided,* That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends

in acreage, for abnormal weather conditions, and for small farms.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 4 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted) to cotton in any year of such three-year period.

"(2) Not more than 3 per centum of the amount remaining, after making the allotments provided for under paragraph (1), shall be allotted, upon such basis as the Secretary deems fair and equitable, to farms (other than farms to which an allotment has been made under paragraph (1) (B)) to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"(3) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allot-

ment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted) in any such year.

"(4) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately

preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1), (2), and (3) of this subsection so as to establish allotments which are fair and equitable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress;

"(2) any part of the acreage allotted to individual farms in the State which it is determined, in accordance with the regulations prescribed by the Secretary, will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and may be apportioned to farms in amounts determined by the Secretary to be fair and reasonable, preference being given to farms in the same county receiving allotments which the Secretary determines are inadequate and not representative in view of

the past production of cotton on such farms: *Provided,* That no farm allotment for any subsequent year shall be increased by reason of any such transfer: *And provided further,* That this paragraph shall not operate to raise the cotton acreage of any farm above 60 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary;" and

"(3) in apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(h) Notwithstanding any other provisions of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State. or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years

immediately preceding the year for which the allotment is made, shall compare with the allotments established for the other farms in the same area which are similar except for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is leased or owned by a Federal or State agency and farmed by such agency for research purposes.

"(j) Notwithstanding any other provision of this Act, State and county committees shall be required to make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the

three calendar years immediately preceding the year for which the allotment is made.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall

be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored or delivered to him or to such agency within the Department as he may designate, including the Commodity Credit Corporation. Upon failure to so store or deliver the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer. Any cotton delivered pursuant to this subsection shall become the property of the United States or of the agency to which delivered and shall be disposed of at the direction of the Secretary for relief purposes in the United States or in foreign countries.

"(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored,

except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

"(e) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"AUTHORIZED REDUCTIONS IN STORAGE

"SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to cotton.

"(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided,* That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-

acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

"TERMINATION OF QUOTAS

"SEC. 348. Whenever in any marketing year marketing quotas are not in effect with respect to the crop of cotton produced in the calendar year in which such marketing year begins all marketing quotas applicable to previous crops of cotton shall be terminated.

"EXTRA LONG STAPLE COTTON

"SEC. 349. (a) Except as otherwise provided by this section, the provisions of this part shall not apply to cotton, the staple of which is one and one-half inches or more in length or to extra long staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extra long staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the

normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."

SEC. 2. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: " 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 per centum in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(c) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton

for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

81ST CONGRESS
1ST SESSION

H. R. 5392

A BILL

To amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. PACE

JUNE 29, 1949

Referred to the Committee on Agriculture

81ST CONGRESS
1ST SESSION

S. 1962

IN THE SENATE OF THE UNITED STATES

JUNE 29 (legislative day, JUNE 2), 1949
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN) to the bill (S. 1962) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, viz: At the end of the bill add a new section as follows:

SEC. . Notwithstanding any other provision of law, the farm acreage allotment of wheat of the 1950 crop for any farm which contains areas which cannot feasibly be converted from production of wheat to production, during the calendar year 1950, of other reasonably remunerative annual cash crops shall be not less than that acreage obtained by multiplying the greater of—

(A) the acreage seeded for the production of wheat of the 1949 crop in such areas, or

(B) the average acreage seeded for the production of wheat of the 1948 and 1949 crops in such areas by the percentage which the national acreage allotment for the 1950 crop of wheat is of the national acreage seeded for the production of wheat of the 1949 crop. If the allotment to any county is insufficient to provide for such minimum allotments and for fair and reasonable allotments to the other farms in the county, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for) as may be necessary in order to provide for such minimum and fair and reasonable allotments.

81ST CONGRESS
1ST SESSION

S. 1962

AMENDMENT

Intended to be proposed by Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN) to the bill (S. 1962) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

JUNE 29 (legislative day, JUNE 2), 1949
Ordered to lie on the table and to be printed

The PRESIDING OFFICER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PURCHASE OF AUTOMOBILES BY DISABLED VETERANS

The bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, was announced as next in order.

Mr. WILLIAMS. Mr. President, reserving the right to object, may we have an explanation of the bill? I should particularly like to know how much it will cost.

Mr. PEPPER. this bill was reported unanimously by the Committee on Labor and Public Welfare. The automobiles are not subject to a levy of credit against the veterans, because obviously they are intended for the personal use of the veterans. With that minor exception, this bill is the identical bill reported from the Committee on Labor and Public Welfare and passed by the Senate in the Eightieth Congress.

In two respects it is an extension of the present law which was passed in 1944. The 1944 act provided that the Government could pay up to $1,600 for the purchase of an automobile for a veteran who had lost the use of or lost as far as the ankle one or both feet. The present bill extends it to the loss of use of or the loss of one or both hands, and the loss of vision of veterans to a degree amounting to practical blindness.

Except for those two categories, it is exactly the same as the present law. I should say that the law expired on the 30th of June. The committee has held hearings on the matter, heard amputees, heard the testimony of veterans as to how they were inconvenienced in trying to ride in public vehicles because of the loss of one or both hands and by not having good vision so they could look after themselves. After considering the matter, it was felt by the committee that it should report to the Senate the same bill reported to the Eightieth Congress, and that the Senate should pass practically the same bill passed by the Eightieth Congress.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WATKINS. What is the estimated cost?

Mr. PEPPER. The estimated cost is approximately $16,000,000, to accommodate approximately 10,000 veterans.

Mr. WATKINS. When this amount is spent, will other veterans then come in, in addition to those provided for in the bill?

Mr. PEPPER. Of course, there are from time to time additional veterans who complain, by virtue of amputations in hospitals, of loss of the use of or loss of the members as described in the bill, but let the Senator recall that all of these are service-connected disabilities, and only those.

Mr. WATKINS. That is what I wanted to know.

Mr. PEPPER. There will be no inclusion into the class provided for of any veteran except one who sustains an amputation in a hospital as the result of a war injury.

Mr. WATKINS. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, subject to the conditions hereinafter set forth, the Administrator of Veterans' Affairs is authorized and directed to provide or assist in providing an automobile or other conveyance, by paying on the purchase price of such automobile or other conveyance not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation under the laws administered by the Veterans' Administration for any of the following:

(a) Loss or permanent loss of use of one or both feet;

(b) Loss or permanent loss of use of one or both hands;

(c) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees in the better eye.

SEC. 2. The benefits of section 1 shall be granted under the following conditions:

(a) That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

(b) The United States shall not be liable for the repair, maintenance, or replacement of any automobile or other conveyance provided under the provisions of the first section of this act and shall not be liable to any person by reason of any damage caused by the use of such automobile or other conveyance.

(c) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act; and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

(d) The benefits provided in this act shall not be available to any veteran who has not made application for such benefits to the Administrator within 3 years after the effective date of this act, or within 3 years after the date of the veteran's discharge from the armed forces if the veteran shall not be discharged until on or after said effective date.

(e) Any automobile or other conveyance furnished any veteran pursuant to this act shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

(f) After enactment of this act, any automobile or other conveyance heretofore furnished any veteran under the provisions of the paragraph heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, as amended, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

COTTON MARKETING QUOTAS

The bill (S. 1962) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. WILLIAMS. Mr. President, by request, I ask that the bill go over.

Mr. MILLIKIN. Will not the Senator withhold his objection?

Mr. WILLIAMS. I withhold the objection.

Mr. MILLIKIN. I ask that my colleague make a statement about the bill.

Mr. JOHNSON of Colorado. Mr. President, I desire to call up an amendment we have to the bill pertaining to wheat acreage, but if the Senator is going to insist on the bill going over, I doubt if our amendment would cure his objection to it.

Mr. WILLIAMS. I am objecting to the bill by request. If the Senator will submit his amendment I will see if I can get the matter straightened out. I suggest that the bill go to the foot of the calendar.

The PRESIDING OFFICER. The bill will go over.

CREATION OF STANDING COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 58) to amend the Senate rules by creating a standing committee on small business, was announced as next in order.

Mr. O'MAHONEY. Let the resolution go over.

Mr. PEPPER. Mr. President, will the Senator withhold his objection for a moment?

Mr. O'MAHONEY. I do.

Mr. PEPPER. Mr. President, I am not one of the authors of the resolution, but my colleague, the junior Senator from Florida [Mr. HOLLAND], is one of the authors of the resolution, and it was reported from the Committee on Rules and Administration by the minority leader, the Senator from Nebraska [Mr. WHERRY]. Neither my colleague nor the minority leader happens to be on the floor of the Senate at the present time, and Senators might wish to debate the resolution. It merely sets up a committee on small business as one of the standing committees of the Senate. Due to the fact that we have heretofore had a reluctance to create such a special committee, jurisdiction of the subject had been, tacitly, recognized as in the Committee on Banking and Currency. It was generally felt, however, when we discussed the matter, that small business was of such a broad nature, and there are so many ramifications, it would probably be desirable to set up a committee on small business among the regular committees. Many of us have an acute interest in the problems of small business.

Mr. O'MAHONEY. Mr. President, my objection was made because neither the minority leader nor the majority leader was present upon the floor. I know there has been a great deal of discussion about the creation of such a committee, and I felt it would be desirable to have the resolution go over until the two leaders were present.

Mr. PEPPER. Very well.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. WHERRY subsequently said: Mr. President, I ask that to return to Calendar No. 596, Senate Resolution 58, and that the action taken be reconsidered.

The PRESIDING OFFICER. Does the Senator want the order putting the resolution over to be set aside?

Mr. WHERRY. I should like to ask what the objection was to this very meritorious measure.

Mr. O'MAHONEY. I made the objection because of the absence of the majority leader and the minority leader, and both having appeared on the floor now——

Mr. WHERRY. The Senator has no objection?

Mr. O'MAHONEY. I ask that the resolution be proceeded with.

The PRESIDING OFFICER. Without objection, the order will be set aside, and the resolution will be considered, if there is no objection.

Mr. LUCAS. Mr. President, I shall have to object. I regret very much, but the Senator from Illinois will be compelled to object.

Mr. WHERRY. Mr. President, I am sorry the Senator feels he has to object to the resolution. I shall not take up the time of the Senate, but I should like to have the report which accompanied the resolution printed in the RECORD. It is very constructive at this point as a part of my remarks.

There being no objection, the report (No. 598) was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration to whom was referred the resolution (S. Res. 58) to amend section (1) of rule XXV of the standing rules of the Senate by the establishment of a Committee on Small Business, having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

The resolution provides for the creation of a standing Committee on Small Business, composed of 13 Senators, to which shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the problems of American small business enterprises. It shall be the duty of such committee to study and survey by means of research all the problems of American small business enterprises, and to obtain all facts possible in relation thereto which would not only be of public interest, but which aid the Congress in enacting remedial legislation.

There has been opposition to the reestablishment of a special committee on small business based primarily on arguments—

1. That special committees are deemed by some Members of the Senate to be in violation of the spirit of the Reorganization Act;

2. That a special committee does not have legislative authority and cannot act directly on legislation for small business, once its studies and investigations on a subject have been made.

These two objections do not apply to the establishment of a standing Committee on Small Business.

The numerous problems of small business fall within the jurisdiction of practically every committee in the Senate. These problems include taxation and finance, interstate and foreign commerce, growth of concentration and industry, antitrust legislation, education and labor, Government and armed services procurement, and trade inspired by foreign economic programs and policies. These problems, generally diversified and oftentimes highly specialized, call for prompt investigation and remedial legislation. This can best be accomplished speedily and efficiently by a standing committee charged especially with the duty of providing assistance to small business enterprises.

Your committee envisions that the work of the Committee on Small Business will include, but not be limited to, the study and investigation of—

1. Supply and distribution of basic materials with particular reference to whether or not independent small business is obtaining its fair share of such materials under existing or future distribution methods and patterns;

2. Policies of Federal Government departments, agencies, and corporations with respect to inclusion of independent small business in their present programs and future planning with particular reference to the procurement activities of such departments, agencies, and corporations;

3. Prices charged for materials needed and utilized by independent small business to determine whether they are fair and equitable in relation to prices charged their larger competitors;

4. Pressures of vertically and horizontally integrated combinations to eliminate independent small business in the American industrial productive and distributive system;

5. Inability of both new and old independent small business to adequately finance itself from its own earnings due to tax structure and effect of such tax structure on the merger movement;

6. Participation of independent American small business in foreign-aid programs and adequacy of representation of independent American small business by diplomatic and consular officials abroad;

7. Development of programs to adequately insure independent small business a fair share of raw and finished materials and services on and from public-owned mineral resources, forest services, irrigation and reclamation projects;

8. Development of a sound program to safeguard the place of independent small business in the American economy.

Since the expiration of the former Special Committee on Small Business, there has been no one Senate committee to consider and recommend legislation regarding the economic problems of small business, although almost every one of the standing committees of the Senate is in one way or another concerned with problems vitally and directly affecting small-business enterprises. The number and importance of the problems peculiar to small business warrants the establishment of a standing committee which will give full time and attention to the solution of these problems and which has authority to recommend remedial legislation to the Senate.

Three million six hundred and fifty thousand small-business concerns in the United States are owned and operated, on the average, by 2½ persons each. This constitutes a total of 9,125,000 persons, or 92 percent of our entire economy. These concerns employ about 65 percent of all commercial and industrial wage earners and produce about 45 percent of our entire output. The former Special Committee on Small Business was in existence from October 1940 until January 31, 1949. Its expiration has resulted in the discontinuance of specialization on small-business problems in the Senate; a service which your committee believes is of great value to this large part of the Nation's economy.

Therefore, the Committee on Rules and Administration recommends the establishment of a Standing Committee on Small Business as provided for by Senate Resolution 58.

Mr. WHERRY. Mr. President, if we cannot have action on this resolution on the call of the calendar, I ask the distinguished majority leader if we cannot have the resolution taken up for consideration at some later date. There is much interest in the subject. The resolution provides for a permanent standing committee dealing with small business. If the resolution cannot be agreed to on the call of the calendar I believe it should be taken up for consideration at an early date.

Mr. LUCAS. I understand how the Senator from Nebraska feels about a measure of this kind. When it comes up for consideration there will be considerable discussion of it. The Senator from Montana [Mr. MURRAY] introduced a measure earlier in the session, which was referred to the Committee on Banking and Currency, and he will probably want to substitute his measure for this one, when it is considered. The Senator from South Carolina [Mr. MAYBANK] has already appointed a subcommittee of the Committee on Banking and Currency which is dealing with small business at the present time. No doubt he will want to be heard when the measure comes up for consideration. The Senator from South Carolina is not now present in the Senate Chamber.

I might say for the benefit of my distinguished friend, the Senator from Nebraska, that we had this matter up before our policy committee some time ago, and that committee was unanimously in opposition to the appointment of a standing committee for small business.

Mr. WHERRY. Will the distinguished majority leader say whether the policy committee took a position respecting the so-called Murray measure?

Mr. LUCAS. No. The committee, as I recall, took no position either on the Murray measure or upon the other measure which is being considered by the Senate Committee on Banking and Currency. But I anticipate that when the matter comes up for consideration there will be quite a little debate upon it. I will say to my friend from Nebraska that there is a possibility that we can take it up before Congress adjourns. I will not guarantee that. I might, however, be persuaded by the relentless logic of my friend from Nebraska to ask that it be brought up for consideration later on.

Mr. WHERRY. I thank the majority leader for even that much assurance. It has been demonstrated time and time again that what we need in the United States Senate is a small business committee as a permanent standing committee. I only hope the majority leader will give consideration to the measure, and at least permit it to be brought up for consideration, so arguments can be presented for and against it, and so the

reason of the construction of Garrison Dam and Reservoir project, North Dakota.

SEC. 10. It is hereby recognized that the royalties provided for in article XII of the contract shall apply to all minerals, including oil and gas, as therein dealt with.

SEC. 11. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as are required to carry out the conditions, provisions, and requirements of this joint resolution.

SEC. 12. Lands or interests in lands acquired pursuant to article VII or article VIII of the contract set forth in section 1 of this joint resolution may be sold to or exchanged with the Three Affiliated Tribes or members thereof, or may be exchanged with other persons, in the manner now or hereafter authorized by law for the sale or exchange of lands owned by such Tribes or members thereof.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution to vest title to certain lands of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., in the United States, and to provide compensation therefor."

BILL PASSED OVER

The bill (H. R. 165) to authorize the American River Basin development, Calif., for irrigation and reclamation, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

QUITCLAIM OF PROPERTY TO MISSISSIPPI STATE COLLEGE

The Senate proceeded to consider the bill (H. R. 3680) to authorize the Secretary of Agriculture to quitclaim 5 1/10 acres of land in Washington County, Miss., to the Mississippi State College.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. STENNIS. Mr. President, the Senator from Montana [Mr. MURRAY] is not in the Chamber at the time, and, as I am familiar with the bill, I shall try to explain it.

I call the attention of the Senator to the report on the bill. In 1934 Mississippi State College deeded two small parcels of land, of which the parcel concerned in this bill was one, to the Secretary of Agriculture, for the purpose of erecting thereon an experimental gin, and have a place to house the personnel who would be connected with it. The gin was erected on a small piece of land, but the houses have never been constructed on the 5.1 acres. The idea of constructing the houses has been abandoned, and although the original deed contained a provision that the land should revert unless used for that purpose, nevertheless two pieces of land are included in the same deed, and it is thought this bill is necessary in order to make the title clear. There is a letter from the Secretary of Agriculture in the report. No money consideration was involved. It was a donation to the Government in the beginning.

Mr. MORSE. Mr. President, the State of Mississippi transferred the property to the Government in the first instance for a specific purpose but the Federal Government abandoned that purpose. I understand that the Federal Government has not spent any money on this property; is that correct?

Mr. STENNIS. The Senator is entirely correct.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

COTTON MARKETING QUOTAS

Mr. WILLIAMS. Mr. President, a few minutes ago I objected when Senate bill 1962, Calendar No. 595, was reached on the call of the calendar. I now withdraw my objection, and ask that the Senate return to that bill and consider it.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 1962?

There being no objection, the Senate proceeded to consider the bill (S. 1962) to amend the cotton-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause, and insert:

That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines (1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 percent, or (2) that such total supply is equal to or greater than such normal supply and that the price of cotton at the beginning of such marketing year is 90 percent of parity or less, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to cotton during the marketing year beginning in the next calendar year. The secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year for which the national marketing quota is proclaimed and (2) the estimated imports during such marketing year, to make available during such marketing year a normal supply of cotton. The national marketing quota for any year shall be not less than 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than November 15 following the issuance of the marketing quota proclamation provided for in section 342, the secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The secretary shall proclaim the results of any referendum held hereunder within 30 days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the 5 years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota: *Provided*, That whenever during any calendar year a national marketing quota is not proclaimed for cotton for the marketing year beginning in the next calendar year and the total supply of cotton for such marketing year is equal to or in excess of the normal supply, or if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to the crop produced for marketing in such marketing year, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such national allotment among States, counties, and farms pursuant to the provisions of this part.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal conditions of production during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of 22,500,000 acres, computed and adjusted as follows:

"(1) The average of the planted acreages regarded as planted under the provisions of Public Law 12, 79th Cong.) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage which is less than 50 percent of the 1943 allotment, the average of the acreage planted (or regarded as planted) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) thte acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of 22,500,000 acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of 22,500,000 acres) shall not be less than the larger of (1) 95 percent of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 percent of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than 22,500,000

acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to 22,500,000 acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal conditions of production during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided,* That the State committee may reserve not to exceed 10 percent of its State acreage allotment (15 percent if the State's 1948 planted cotton acreage was less than half of its 1943 allotment) which shall be allotted for the purpose of adjustments, either in such county apportionments or in farm acreage allotments, for trends in acreage, for abnormal conditions of production, other unusual conditions, and to remedy injustice and hardships.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, 79th Cong.) in any one of the 3 years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) 5 acres; or (B) the highest number of acres planted (or regarded as planted) to cotton in any year of such 3-year period;

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be the prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (or regarded as planted) to cotton during any of the preceding 3 years, the acreage allotment for such farm shall not exceed such largest acreage so planted (or regarded as planted) in any such year.

"(3) The county committee may reserve not in excess of 10 percent of the county allotment (15 percent if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be used for (A) establishing allotments for farms which were neither used nor regarded as used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and equitable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established without regard to the acreage planted to cotton or to yields in 1949, and in establishing such allotments and yields the period of years required to be used shall be selected where 1949 is within any such period by substituting for 1949 the year immediately preceding the period which would otherwise be used.

"(2) In determining cotton production history under the terms of Public Law 12, Seventy-ninth Congress, whatever acreage is 'regarded' as having been planted to cotton because of the production of war crops or because the owner or operator was serving in the armed forces shall be taken into account in establishing farm, county, and State allotments. The Secretary shall require that adequate and proper administrative safeguards and statistical controls be placed into effect to prevent as far as possible any unreasonable or inequitable distribution of such cotton acreage credits under Public Law 12, Seventy-ninth Congress, to any farm, county, or State.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 percent of the allotment or one acre, acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm.

"(4) For any year any part of the acreage allotted to individual farms in any county which it is determined by the Secretary through the county committee will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and shall be apportioned in amounts determined to be fair and reasonable to farms in the same county receiving allotments which are inadequate and not representative in view of the past production history of cotton on such farms: *Provided,* That this paragraph shall not operate to raise the cotton acreage of any farm above 60 percent of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(5) If the acreage planted to cotton on any farm is less than the smaller of (A) 90 percent of the farm acreage allotment, or (B) the acreage allotment less one acre, for two successive years, the acreage allotment next established for such farm shall be reduced by the average amount (expressed as a percentage) of such deficiency, unless the owner or operator of the farm had indicated in writing to the county committee not later than a date set by the committee his intention not to plant the full acreage allotment and had released for that year the unused acreage to the committee for reallocation to other farms in the county: *Provided,* That if the acreage planted to cotton on such farm is less than the smaller of (A) or (B) for three successive years, the allotment next established for such farm shall be reduced as provided by this paragraph, without regard to whether the owner or operator has given any such indication or release.

"(6) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(h) Notwithstanding any other provisions of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State, or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for the other farms in the same area which are similar for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is leased or owned by a Federal or State agency and farmed by such agency for research purposes.

"(j) Notwithstanding any other provision of this act, State and county committees shall be required to make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section or of Public Law 28, Eighty-first Congress, there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted (or regarded as planted) to cotton in any one of the three calendar years (including 1949 if such year would be included but for the provisions of such Public Law 28) immediately preceding the year for which the allotment is made.

"FARM-MARKETING QUOTAS

"SEC. 345. (a) The farm-marketing quota for cotton for any farm for any marketing year shall be an amount of cotton equal to the sum of—

"(1) the normal production or the actual production, whichever is the greater, of the farm-acreage allotment; and

"(2) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

"(b) In any marketing year in which marketing quotas are in effect, cotton produced from acreage planted in the calendar year in which such marketing year begins shall be subject to quotas even though it is marketed prior to the date on which such marketing year begins.

"PENALTIES

"SEC. 346. (a) Any farmer who, while farm-marketing quotas are in effect, markets cotton in excess of the farm-marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to a penalty on the excess so marketed at a rate per pound equal to 50 percent of the parity price per pound for cotton as of June 15 prior to the beginning of such marketing year.

"(b) The Secretary may require payment of the penalty upon a proportion of each lot of cotton marketed equal to the proportion which the acreage planted to cotton in excess of the farm acreage allotment is of the total acreage planted to cotton on the farm. If cotton is carried over from a previous crop, for purposes of computing the proportion of the cotton on which penalty will be collected when marketed, the total amount of cotton carried over and the proportion thereof which would have been subject to penalty if marketed in the immediately preceding marketing year shall be converted to acreages on the basis of the normal yield for the farm

for the year in which the cotton was produced and such acreages shall be included in the total acreage of cotton on the farm and in the amount thereof which is in excess of the farm-acreage allotment, respectively. If the person required to collect the penalty fails to collect such penalty, such person shall be jointly and severally liable with the farmer for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"EXTRA LONG STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this part shall not apply to cotton, the staple of which is one and one-half inches or more in length or to extra long staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extra long staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calender year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such markeing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."

SEC. 2. (a) Section 302 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(e) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors be equal to the level determined as provided in this section for such marketing year, except for cotton, the support for which will be made on the basis of seven-eights Middling spot cotton on the ten markets designated by the Secretary with appropriate adjustments for grade, type, staple, quality, location, and other factors."

(b) Notwithstanding the provisions of section 202 (a) of the Agricultural Act of 1948, the amendment made by subsection (a) of this section shall continue to be effective after such section 202 (a) becomes effective.

SEC. 3. (a) The amendments to the Agricultural Adjustment Act of 1938, contained in subsections (a), (d), and (e) of section 201 of the Agricultural Act of 1948 shall, insofar as they relate to cotton, become effective upon the enactment of this Act.

(b) Sections 205 and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

(c) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and."

Mr. JOHNSON of Colorado. Mr. President, on behalf of myself and my colleague from Colorado [Mr. MILLIKIN], I now offer an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 348. Notwithstanding any other provision of law, the farm acreage allotment of wheat of the 1950 crop for any farm which contains areas which cannot feasibly be converted from production of wheat to production, during the calendar year 1950, of other reasonably remunerative annual cash crops shall be not less than that acreage obtained by multiplying the greater of—

(A) the acreage seeded for the production of wheat of the 1949 crop in such areas, or

(B) the average acreage seeded for the production of wheat of the 1948 and 1949 crops in such areas,

by the percentage which the national acreage allotment for the 1950 crop of wheat is of the national acreage seeded for the production of wheat of the 1949 crop. If the allotment to any county is insufficient to provide for such minimum allotments and for fair and reasonable allotments to the other farms in the county, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for) as may be necessary in order to provide for such minimum and fair and reasonable allotments.

Mr. JOHNSON of Colorado. Mr. President, the language of the amendment is a little bit hard to comprehend at first blush. I will state what the amendment provides. There are acreages which have been in wheat production which cannot be converted to the production of any other cash crop. For 1950 there are these acreages, and for one crop year only the amendment proposes that such acreages as cannot be converted to any other cash crop shall not be reduced more than the national average. That is what the amendment provides. I sincerely hope that those in charge of the bill will be able to accept the amendment.

Mr. MILLIKIN. Mr. President, I should like to join in the remarks of my distinguished colleague, the senior Senator from Colorado. We have a very unusual situation in Colorado. Following the encouragement of the Government we broke sod in a vast area in eastern Colorado and put it into wheat. We understand that the wheat-acreage allotment will be reduced from say 22 to 27 percent. Taking that together with the operation of the allocation formula which now exists, our wheat acreage in Colorado will be reduced from 60 to 70 percent. That would be a cataclysmic thing in the economy of Colorado. It happens due to the 3-year formula within the 10-year formula. The workings of that formula, together with the national average reduction brings about that harsh result. The money that is represented by the wheat-acreage cuts that will come to us unless we have this temporary relief will prostrate the towns of eastern Colorado which depend on wheat production. It will have an enormous effect on the whole agricultural economy of our State.

As the senior Senator from Colorado [Mr. JOHNSON] has pointed out, the operation of the agricultural formula does not do much harm in old-established States which have diversified crops, because they can shift from one crop to another. In eastern Colorado we cannot do that. Generally speaking we cannot shift into any alternate cash crop for next year.

I may say that western Kansas has somewhat the same problem. Wyoming has the same problem on a smaller scale. New Mexico has a small spot of that trouble. Oregon, Washington, and Montana are affected by the same problem.

All we are asking is that we give the veterans and others who have gone out there and established their homes believing they were in a business that was encouraged by the Government a fair chance to get themselves readjusted to the new trend in our affairs. We are not really taking anything out of the hide of wheat growers in other States, because generally speaking they can shift into other crops. Our wheat growers in eastern Colorado cannot shift into other crops that will yield cash next year.

As I said before, if we do not get this relief, and if the national acreage reduction is made as we anticipate, from 22 to 27 percent, we shall have a wheat acreage reduction in Colorado of from 60 to 70 percent, which is a loss which no other State would have. Wheat is a very important crop in Colorado. I hope we may have favorable consideration by the Senate of this amendment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS. I do not quite understand the Senator's last statement. How can that happen?

Mr. MILLIKIN. It happens in this way: Under the 1938 Agricultural Adjustment Act, there is a 10-year period formula under which we work out reductions in acreage. That has within it a 3-year formula. The two parts of the formula are worked together. The 3-year formula takes account of the last 3 years of production. In those last 3 years we had a great rise in wheat production, due to breaking up the sod. Taking the formula as a whole, it reduces our acreage by 32 percent, according to one estimate, and 44 percent according to another. Adding to that the acreage national reduction which will be made over the country—and it is estimated that the average reduction which the Secretary of Agriculture is expected to announce shortly will be be-

tween 22 and 27 percent—in Colorado our wheat production will be hit to the extent of 60 or 70 percent. The same thing will happen in western Kansas, and possibly to a smaller degree in some of the other States.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. AIKEN. I should like to say to the Senator from Colorado that about 2 months ago this body passed and sent to the House a bill which, if approved by the Congress, would undoubtedly entirely eliminate wheat quotas next year. Under the present law we can have on hand as a carry-over a crop of about 1,450,000,000 bushels of wheat.

The bill which passed the Senate unanimously and went to the House provides for setting forward to this time the new definition of "total supply" which is contained in title II of the 1948 Agricultural Act. That would permit a carry-over in crop of roughly—and not too roughly—1,656,000,000 bushels. If the Senator can persuade the House to approve the bill which passed the Senate, I think we shall be able to avoid wheat quotas of any kind next year.

Mr. MILLIKIN. I wish I were able to do so.

Mr. President, I should like to make one further point.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLIKIN. I ask unanimous consent to speak for one more minute.

Mr. THYE. Mr. President, I yield my time to the Senator.

The PRESIDING OFFICER. The Senator cannot yield time.

Mr. LUCAS. Mr. President, the Senator from Minnesota cannot yield time. I make the point of order against it, as a matter of parliamentary procedure.

Mr. WHERRY. Mr. President, I ask unanimous consent that I may ask the distinguished Senator from Colorado a question about wheat quotas?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Would the observation which has been made by the distinguised Senator apply also to the reduction of acreage in western Nebraska?

Mr. MILLIKIN. Wherever there are arid lands which can be used only for wheat, and wherever it is not possible to go into a cash crop next year, it would apply.

Mr. WHERRY. As the Senator knows, in the section of Nebraska lying close to Colorado, and in western Kansas, the same conditions apply as in Colorado.

Mr. MILLIKIN. The same conditions apply in western Nebraska, western Kansas, Washington, Oregon, Montana, and parts of Wyoming and New Mexico.

Mr. WHERRY. I understand about the 10-year formula and the 3-year formula working together. As I understand the point is that if in addition a national reduction of from 22 to 25 percent were made in the acreage allowed for wheat, there would be a reduction in that area, percentagewise, almost as great as the reduction in Colorado.

Mr. MILLIKIN. I presume the figures would come out about the same. Under one estimate we would have a 32-percent reduction under the formula, and under another estimate 44 percent. So if we add to that the national reduction of between 22 and 27 percent, adding it for example to the estimate of 44 percent, the total reduction might run as high as 70 percent.

Mr. WHERRY. This amendment would give relief for this year.

Mr. MILLIKIN. It is limited to 1 year.

Mr. WHERRY. So that those who want to change over to a cash crop would not be penalized.

Mr. LUCAS. Mr. President, I should like to ask the able Senator from Colorado if this amendment, which seems to me to be extremely important, was submitted to the Committee on Agriculture and Forestry?

Mr. MILLIKIN. We did not have time to do so. The Committee on Agriculture and Forestry made its report on this bill on the day when the Colorado people came here and advised us of the situation. We made special inquiry to see whether we could get before the committee in time. Also we have had the question up with the Secretary of Agriculture, in the hope of getting administrative relief. The Secretary of Agriculture has stated that we should not count on administrative relief.

Mr. ANDERSON. Mr. President, I am not at all happy about this amendment, but I feel that perhaps we should take it to conference and see if the relief suggested by the distinguished Senator from Vermont [Mr. AIKEN], which has to do with the possibility that there may not be wheat allotments at all next year, can be obtained. I feel that it is regrettable that we have a wheat amendment on a purely cotton acreage bill, but I recognize that the problem is acute. So long as the Senator from Nebraska, the Senator from Minnesota, and the Senator from North Dakota understand that this amendment might drastically cut their wheat acreage—and the Senator from Oklahoma [Mr. THOMAS] also understands it—I am very happy to have the amendment go to conference. I do not think there is any danger in it, because I doubt very much if the conferees would accept it in this form. I have a great deal of sympathy with the problem of the two distinguished Senators from Colorado. So far as I am concerned, I am willing to accept the amendment and send the bill to conference.

Mr. JOHNSTON of South Carolina. Mr. President, I think we should have this statement in the RECORD: We held hearings on cotton quotas, and worked day after day on that problem. We arrived at what we thought was a workable bill so far as cotton is concerned. So far as wheat is concerned, neither the subcommittee nor the full committee is able at this time to say whether what is proposed is right or wrong. However, in order to expedite matters at this time, I think we should adopt the pending amendment and let it go to the House. The House can hold hearings on the subject and decide what would be for the best interests of the wheat growers.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. LANGER. Does this amendment apply only to Colorado?

Mr. MILLIKIN. This amendment applies to Colorado. It applies also to a part of western Nebraska, and western Kansas. I am told that it has some application in Washington and Oregon, and small application in Wyoming and New Mexico.

Mr. THYE. Mr. President, the senior Senator from North Dakota [Mr. LANGER] asked whether the amendment would affect Colorado alone. The reflex would affect all the wheat growing States in the union. The only reason I do not make objection at this time is that I am willing to have the amendment go to conference. As the senior Senator from Vermont [Mr. AIKEN] says, there is a possibility that no wheat quotas will be needed in the calendar year 1950. If that is the case, no harm will be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and his colleague [Mr. MILLIKIN].

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended:"

SALE OF CERTAIN LANDS TO CONSOLIDATE THE DESERT LABORATORY EXPERIMENTAL AREA AND RANGE EXPERIMENT STATION

The PRESIDING OFFICER. The clerk will state the next measure on the calendar.

The bill (H. R. 3982) to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the Desert Laboratory Experimental Area of the Southwestern Forest and Range Experiment Station, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I note that under section 1 of this bill the Secretary of Agriculture is authorized to sell 16 acres of land under his jurisdiction, in the county of Pima, Ariz., at a price or prices not less than the appraised value thereof.

Apparently we are in the process of establishing some fixed standard for the sale of Government property.

The PRESIDING OFFICER. Does the Senator object to the present consideration of the bill?

Mr. HENDRICKSON. I am not objecting at this time, but I am simply wondering whether the sponsor of the bill would object to an amendment which would carry out the standard which has been suggested by the distinguished Senator from Oregon.

81st CONGRESS
1st SESSION

S. 1962

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 1949

Referred to the Committee on Agriculture

AN ACT

To amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines (1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, or (2) that such total supply is equal

to or greater than such normal supply and that the price of cotton at the beginning of such marketing year is 90 per centum of parity or less, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to cotton during the marketing year beginning in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year for which the national marketing quota is proclaimed and (2) the estimated imports during such marketing year, to make available during such marketing year a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than November 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by

secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota: *Provided,* That whenever during any calendar year a national marketing quota is not proclaimed for cotton for the marketing year beginning in the next calendar year and the total supply of cotton for such marketing year is equal to or in excess of the normal

supply, or if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to the crop produced for marketing in such marketing year, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such national allotment among States, counties, and farms pursuant to the provisions of this part.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal conditions of production during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of

Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage which is less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually

planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal conditions of production during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be allotted for the purpose of adjustments, either in such county apportionments or in farm acreage allotments,

for trends in acreage, for abnormal conditions of production, other unusual conditions, and to remedy injustice and hardships.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) Five acres; or (B) the highest number of acres planted (or regarded as planted) to cotton in any year of such three-year period;

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be the prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for

sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (or regarded as planted) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (or regarded as planted) in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be used for (A) establishing allotments for farms which were neither used nor regarded as used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and

(2) of this subsection so as to establish allotments which are fair and equitable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established without regard to the acreage planted to cotton or to yields in 1949, and in establishing such allotments and yields the period of years required to be used shall be selected where 1949 is within any such period by substituting for 1949 the year immediately preceding the period which would otherwise be used.

"(2) In determining cotton production history under the terms of Public Law 12, Seventy-ninth Congress, whatever acreage is 'regarded' as having been planted to cotton because of the production of war crops or because the owner or operator was serving in the armed forces shall be taken into account in establishing farm, county, and State allotments. The Secretary shall require that adequate and proper administrative safeguards and statistical controls be placed into effect to prevent as far as possible any unreasonable or inequitable

distribution of such cotton acreage credits under Public Law 12, Seventy-ninth Congress, to any farm, county, or State.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm.

"(4) For any year any part of the acreage allotted to individual farms in any county which it is determined by the Secretary through the county committee will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and shall be apportioned in amounts determined to be fair and reasonable to farms in the same county receiving allotments which are inadequate and not representative in view of the past production history of cotton on such farms: *Provided,* That this paragraph shall not operate to raise the cotton acreage of any farm above 60 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(5) If the acreage planted to cotton on any farm

is less than the smaller of (A) 90 per centum of the farm acreage allotment, or (B) the acreage allotment less one acre, for two successive years, the acreage allotment next established for such farm shall be reduced by the average amount (expressed as a percentage) of such deficiency, unless the owner or operator of the farm had indicated in writing to the county committee not later than a date set by the committee his intention not to plant the full acreage allotment and had released for that year the unused acreage to the committee for reallocation to other farms in the county: *Provided,* That if the acreage planted to cotton on such farm is less than the smaller of (A) or (B) for three successive years, the allotment next established for such farm shall be reduced as provided by this paragraph, without regard to whether the owner or operator has given any such indication or release.

"(6) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(h) Notwithstanding any other provisions of this sec-

tion, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State, or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for the other farms in the same area which are similar for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is leased or owned by a Federal or State agency and farmed by such agency for research purposes.

"(j) Nothwithstanding any other provision of this Act, State and county committees shall be required to make

available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section or of Public Law 28, Eighty-first Congress, there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted (or regarded as planted) to cotton in any one of the three calendar years (including 1949 if such year would be included but for the provisions of such Public Law 28) immediately preceding the year for which the allotment is made.

"FARM-MARKETING QUOTAS

"SEC. 345. (a) The farm-marketing quota for cotton for any farm for any marketing year shall be an amount of cotton equal to the sum of—

"(1) the normal production or the actual production, whichever is the greater, of the farm-acreage allotment; and

"(2) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

"(b) In any marketing year in which marketing quotas are in effect, cotton produced from acreage planted in the

calendar year in which such marketing year begins shall be subject to quotas even though it is marketed prior to the date on which such marketing year begins.

"PENALTIES

"SEC. 346. (a) Any farmer who, while farm-marketing quotas are in effect, markets cotton in excess of the farm-marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to a penalty on the excess so marketed at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 prior to the beginning of such marketing year.

"(b) The Secretary may require payment of the penalty upon a proportion of each lot of cotton marketed equal to the proportion which the acreage planted to cotton in excess of the farm acreage allotment is of the total acreage planted to cotton on the farm. If cotton is carried over from a previous crop, for purposes of computing the proportion of the cotton on which penalty will be collected when marketed, the total amount of cotton carried over and the proportion thereof which would have been subject to penalty if marketed in the immediately preceding marketing year shall be converted to acreages on the basis of the normal yield for the farm for the year in which the cotton was produced and such acreages shall be included in the total acreage of cotton on the farm and in the amount thereof which is in excess

of the farm-acreage allotment, respectively. If the person required to collect the penalty fails to collect such penalty, such person shall be jointly and severally liable with the farmer for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive.

(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"EXTRA LONG STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this part shall not apply to cotton,

the staple of which is one and one-half inches or more in length or to extra long staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extra long staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."

SEC. 2. (a) Section 302 (e) of the Agricultural Ad-

justment Act of 1938, as amended, is amended to read as follows:

"(e) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors be equal to the level determined as provided in this section for such marketing year, except for cotton, the support for which will be made on the basis of seven-eighths Middling spot cotton on the ten markets designated by the Secretary with appropriate adjustments for grade, type, staple, quality, location, and other factors."

(b) Notwithstanding the provisions of section 202 (a) of the Agricultural Act of 1948, the amendment made by subsection (a) of this section shall continue to be effective after such section 202 (a) becomes effective.

SEC. 3. (a) The amendments to the Agricultural Adjustment Act of 1938, contained in subsections (c), (d), and (e) of section 201 of the Agricultural Act of 1948 shall, insofar as they relate to cotton, become effective upon the enactment of this Act.

(b) Sections 205 and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

(c) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

SEC. 348. Notwithstanding any other provision of law, the farm acreage allotment of wheat of the 1950 crop for any farm which contains areas which cannot feasibly be converted from production of wheat to production, during the calendar year 1950, of other reasonably remunerative annual cash crops shall be not less than that acreage obtained by multiplying the greater of—

(A) the acreage seeded for the production of wheat of the 1949 crop in such areas, or

(B) the average acreage seeded for the production of wheat of the 1948 and 1949 crops in such areas

by the percentage which the national acreage allotment for the 1950 crop of wheat is of the national acreage seeded for the production of wheat of the 1949 crop. If the allotment to any county is insufficient to provide for such minimum allotments and for fair and reasonable allotments to the other farms in the county, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise pro-

vided for) as may be necessary in order to provide for such minimum and fair and reasonable allotments.

Passed the Senate July 6 (legislative day, June 2), 1949.

Attest: LESLIE L. BIFFLE,

Secretary.

81ST CONGRESS
1ST SESSION

S. 1962

AN ACT

To amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

JULY 7, 1949

Referred to the Committee on Agriculture

81ST CONGRESS
1ST SESSION

H. R. 5738

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 1949

Mr. PACE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing

quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided,* That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than November 15 of the calender year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton

in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided,* That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States

on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f)

(1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law

12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton for 1950, 1951, and 1952 shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, and for each year thereafter shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed

the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirri-

gated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection

so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allot-

ment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for non-farming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided,* That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: *And provided further,* That no person shall be entitled to receive an allotment under both

(1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or

(B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted

cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determine that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of

war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty

and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored. Upon failure to so store the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer.

"(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored, except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

"(e) The person liable for payment or collection of

the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"AUTHORIZED REDUCTIONS IN STORAGE

"SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to cotton.

"(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided*, That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

"LONG STAPLE COTTON

"SEC. 348. (a) Unless marketing quotas are in effect under subsection (b) of this section, the provisions of this part shall not apply to cotton the staple of which is one and one-half inches or more in length.

"(b) Whenever during any calendar year the Secretary determines that the total supply of the cotton specified in subsection (a) of this section for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year: *Provided,* That the Secretary may exempt from such quota any variety or kind of such cotton if he finds that the total supply does not exceed the normal supply thereof by more than 8 per centum. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of such long staple cotton adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of the Act relating to marketing quotas and acreage

allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such long staple cotton."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: " 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 per centum in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation pro-

vide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following new matter: "*Provided further*, That the allotment established for any State for any year subsequent to 1949 shall be not less than 60 per centum of the acreage of peanuts harvested for nuts in the State in 1948 and any additional acreage so required shall be in addition to the national acreage allotment and the produc-

tion from such acreage shall be in addition to the national marketing quota."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 per centum of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

(B) 50 per centum of

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national average seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided,*

That no acreage shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

81ST CONGRESS
1ST SESSION

H. R. 5738

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. PACE

JULY 25, 1949

Referred to the Committee on Agriculture

81st Congress } HOUSE OF REPRESENTATIVES { Report
1st Session } { No. 1148

COTTON ACREAGE ALLOTMENTS AND MARKETING QUOTAS

August 1, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Cooley, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 5738]

The Committee on Agrieulture, to whom was referred the bill (H. R. 5738) to amend the Agricultural Adjustment Aet of 1938, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

Legislative measures to provide for a proper balance between supplies and demand of agrieultural commodities are an essential part of a well-rounded agrieultural program. Even though the economie activity of the United States eontinues at a high level and foreign demand for agrieultural produets generally may remain large for some time, the production of some agricultural commodities may easily exceed eurrent and prospective demand. This is particularly true in the ease of cotton. Although the international situation with respeet to eotton is not eritieal at the present time, the domestie situation is such that aereage allotments and marketing quotas will likely be necessary for 1950.

The world produetion of eotton during the 1948–49 season exceeded world eonsumption of cotton for the first time since the war. A recent release by the International Cotton Advisory Committee indicates that the global production of cotton for the 1948–49 season is estimated at 28,700,000 bales and eonsumption for the same period at 27,700,000 bales. At the beginning of the new crop year on August 1, 1949, the world earry-over of eotton is 1,000,000 bales larger than the carry-over for the preeeding year. Although the world carry-over on August 1, 1949, of 15,000,000 bales is less than two-thirds of the

carry-over on August 1, 1939, the trend in world production and consumption indicates that producers are again to be confronted with excessive world supplies. As compared with the preceding season, world production of cotton in 1948–49 increased 3,600,000 bales whereas world consumption diminished by 1,000,000 bales. The world cotton production for 1949–50 season, based on the acreage planted to date, gives promise of being larger than production for the 1948–49 season and world consumption of cotton may be adversely affected by a down-turn in industrial and trading activity in important cotton-consuming countries of the world.

The carry-over of cotton in the United States on August 1, 1949, is expected to be approximately 5,500,000 bales. The recent July acreage report indicated that farmers have planted in excess of 26,000,000 acres of cotton in the United States in 1949. On the basis of the national average yield for the past 5 years, a 1949 crop of approximately 15,000,000 bales is indicated. If domestic consumption and export requirements for cotton for the next year should approximate the estimated domestic consumption and export requirements of approximately 12,500,000 bales for the current year, this would mean a net increase in the carry-over of cotton on August 1, 1950, over the preceding year, of approximately 2,500,000 bales. This would indicate a need for acreage allotments and marketing quotas for the 1950 crop.

The cotton-marketing-quota provisions of the Agricultural Adjustment Act of 1948, as amended, are inadequate to cope with present conditions. The 1938 act provides for cotton-acreage allotments for all farms in the United States in excess of 27,000,000 acres in the aggregate. This is substantially in excess of the acreage planted to cotton in 1948, and slightly in excess of the increased acreage of cotton which the Department of Agriculture has estimated farmers have planted in 1949. Therefore, if a control program in respect to cotton is to be effective, it is obvious that the present law is in need of substantial revision.

In addition, the law should be changed to reflect current trends and shifts in the production of cotton in the United States as compared with the prewar production pattern. For example, there have been tremendous increases in cotton acreage in California, New Mexico, Arizona, Texas, and Missouri in the past few years. These States have increased their cotton production during this time much more rapidly than the country as a whole. During the same period there have been significant decreases in cotton acreage in some of the other States.

The cotton subcommittee of the House Committee on Agriculture held extensive hearings on H. R. 5392, a bill to amend the cotton acreage allotment and marketing quota provisions of the 1938 act. The subcommittee heard from Members of Congress, from farm organizations, from representatives of the Department of Agriculture, and from various individual cotton farmers. Careful consideration was also given to the plan worked out at a belt-wide cotton conference held in Memphis, Tenn., on April 23 and 24, 1949. After full consideration of the views of all interested parties, the subcommittee prepared and introduced a new bill (H. R. 5738) and reported favorably thereon to the full committee. The full committee approved the action of the subcommittee and reports herewith the new bill.

ANALYSIS OF THE BILL

Section 342—National marketing quota

H. R. 5738 provides that whenever in any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim a national marketing quota for the crop of cotton to be produced in the next calendar year. The amount of the quota is the number of bales required to make available a normal supply of cotton, taking into account the carry-over at the beginning of the marketing year and the estimated imports during such marketing year. The committee believes that a minimum quota is necessary to maintain the cotton economy of the cotton-producing States. Furthermore, too drastic a cut in cotton acreage in any year would also seriously affect the national economy. The bill provides, therefore, for a minimum national marketing quota of the smaller of 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption and exports of cotton for the marketing year ending in the calendar year in which the national quota is proclaimed. The bill also provides that the quota for the 1950 crop cannot be less than the number of bales required to provide a national acreage allotment of 21,000,000 acres. Farmers have planted in excess of 26,000,000 acres of cotton in 1949. If quotas are proclaimed for the 1950 crop, this would limit the reduction in 1950 from the 1949 acreage to approximately 20 percent. This will prevent undue hardship which might otherwise result from the sudden shift from many years of unrestricted plantings to a control period. The proclamation of the national marketing quota is required to be made not later than November 15.

The Agricultural Adjustment Act of 1938 provides for the proclamation of marketing quotas on cotton whenever the total supply for any marketing year exceeds the normal supply for such marketing year by more than 7 percent. The most important change in the present law is the requirement in the bill that marketing quotas be proclaimed when the total supply exceeds the normal supply, which would require quotas to be invoked sooner than under existing law. The minimum national baleage allotment under the 1938 act is 10,000,000 bales, plus the production from the additional acreage required to provide minimum State, county, and farm acreage allotments.

Section 343—Referendum

The Secretary is required to conduct a referendum not later than December 15 following the issuance of the proclamation of a national marketing quota. Marketing quotas would not be in effect with respect to any crop unless approved by two-thirds of the farmers voting in the referendum. The referendum provisions are substantially the same as those contained in the 1938 act, except that for 1950 the only farmers eligible to vote would be those who produced cotton in 1948. The reason for this change is that the year 1949 has been eliminated in the establishment of acreage allotments and yields and the committee believes that this year should also be eliminated for the purpose of determining voting eligibility for the 1950 crop.

Section 344 (a)—National acreage allotment

The bill requires the proclamation of a national acreage allotment whenever the Secretary proclaims a national marketing quota for cotton. The national acreage allotment is that acreage, based upon the national average per-acre yield of cotton for the 5 years immediately preceding the year the national quota is proclaimed, required to make available an amount of cotton equal to the national marketing quota. As indicated above, the national acreage allotment for 1950 could not be less than 21,000,000 acres.

The 1938 act does not provide for a national acreage allotment for cotton. That act provides for a national baleage allotment which is required to be apportioned among the States on the basis of a 5-year history of cotton production in the State. The State baleage allotment is then required to be converted to acres on the basis of the average yield of cotton in the State for a 5-year period.

Section 344 (b)–(d), (k)—Apportionment of the national acreage allotment to States

The bill contains special provisions for allotting the national acreage allotment among the States for 1950 and 1951. For these 2 years the national acreage allotment would be distributed on the basis of each State's share of a national allotment base of 22,500,000 acres. It should be noted that this figure of 22,500,000 acres is merely a national base for calculation purposes and is not intended in any way to indicate that the national acreage allotment for 1950 or 1951 should be 22,500,000 acres. The national acreage allotment for these 2 years would be determined in accordance with other provisions of the bill. Each State's share of the national allotment base of 22,500,000 acres would be computed and adjusted by the following steps:

(1) There would be computed for each State the average acreages planted (or regarded as planted under Public Law 12, 79th Cong.) to cotton in the 4 years, 1945–48, except that for any State which planted more than 1,000,000 acres in 1948 but less than one-half of its 1943 allotment, the average of the 5 years, 1944–48, would be taken.

(2) There would be added to the computation for each State under step 1 the additional acreage required for small farm allotments, that is, the smaller of (*a*) 5 acres, or (*b*) the highest number of acres planted to cotton during the last 3 years.

(3) If, after steps 1 and 2 have been taken, the base acreage for any State is less than the larger of (*a*) 95 percent of the average acreage actually planted to cotton in the State during 1947 and1948 or (*b*) 85 percent of the acreage actually planted to cotton in 1948, the State base computed under steps 1 and 2 must be adjusted upward so as to give the State such minimum base acreage.

(4) If the total bases for all States under steps 1, 2, and 3 is less than 22,500,000 acres, there would be added on a pro rata basis to each State not receiving an adjustment under step 3 the additional acreage required to give an aggregate base acreage for all States of 22,500,000.

The foregoing steps would establish for each State a share of a national base of 22,500,000 acres and the State's allotment of whatever national acreage allotment is established under other provisions of the bill for 1950 or 1951 would be determined by increasing or

decreasing the State's base acreage in proportion to the amount by which the national acreage allotment is increased above or decreased below the national base of 22,500,000 acres.

The national acreage allotment for 1952 would be apportioned among the States on the basis of the acreage planted (or regarded as planted under Public Law 12) to cotton during the 4 years, 1946, 1947, 1948, and 1950, with adjustments for abnormal weather during such period. The State acreage allotment for 1953 and thereafter would be apportioned on the basis of the acreage planted (or regarded as planted under Public Law 12) to cotton during the 5 years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather during such period.

A minimum of State acreage allotment is provided equal to the smaller of (*a*) 4,000 acres or (*b*) the highest acreage planted to cotton in any one of the three preceding calendar years excluding 1949.

Under the 1938 act there is no national acreage allotment but the national baleage allotment is apportioned to States on the basis of the recent 5-year history of production. The State baleage allotment is then converted to a State acreage allotment on the basis of the average yield per acre in the State for the same 5-year period.

Section 344 (e)—Apportionment of the State acreage allotment to counties

The bill provides that the State acreage allotment for 1950, 1951, and 1952 shall be apportioned to counties on the basis of the acreage planted (or regarded as planted under Public Law 12) to cotton during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, and for each year thereafter such apportionment is required to be made on the basis of the acreage planted (or regarded as planted under Public Law 12) to cotton during a similar 5-year period. The State committee is authorized to reserve not to exceed 10 percent of the State acreage allotment (15 percent if the State's 1948 planted acreage was in excess of 1,000,000 acres but less than one-half its 1943 allotment) for adjustments in county allotments in counties adversely affected by abnormal conditions affecting planting, or for adjustments in such allotments due to new or small farms. This would enable the State committee to adjust county allotments for plantings which were abnormally high or abnormally low during recent years but where the average plantings during the base period do not provide county allotments in line with current conditions in the county. Under this provision the State committee may also set aside the entire reserve for new farms or may allocate the entire reserve for any of the stated purposes. The county committee would be required to use the acreage for the purpose for which it was allotted to the county by the State committee. For example, if the State committee should set aside a given acreage for new farms, the county committee would be required to use that acreage only for new farms and could not use it for any other purpose. This provision will also enable the State committee to adjust for shifts in production between counties which might not otherwise be provided for if the entire State allotment were apportioned on a straight history formula.

Under the 1938 act the State acreage allotment, less reserves for new and specified old farms, is apportioned to the counties on the basis

of the acreage planted to cotton during the 5 years immediately preceding the year in which such apportionment is made. The 1938 act provides, however, for a minimum county allotment equal to 60 percent of the sum of the acreage planted to cotton in 1937 and the acreage "diverted" from cotton in 1937 under adjustment and conservation programs. No minimum county acreage allotment is provided for in the bill.

Section 344 (f).—Apportionment of the county acreage allotment to farms

The county acreage allotment, less the county reserve discussed below, is required to be apportioned to old farms (farms on which cotton has been planted or regarded as planted under Public Law 12 during one or more of the past 3 years) on the following basis:

(1) There would be first allotted to each farm the smaller of (*a*) 5 acres, or (*b*) the highest number of acres planted (or regarded as planted under Public Law 12) to cotton in any one of the three previous years.

(2) The remainder of the county acreage allotment would be apportioned to farms, other than those receiving an allotment under (1) (*b*) above, on the basis of a prescribed percentage of cropland on the farm. In computing the cropland factor, certain acreages on the farm are excluded from consideration. No farm would receive an allotment based on cropland which would be in excess of the highest acreage planted (and regarded as planted) to cotton on the farm during any one of the past 3 years.

The county committee is authorized to reserve not in excess of 10 percent of the county allotment (15 percent if the State's 1948 planted cotton acreage was in excess of 1,000,000 acres but less than one-half its 1943 allotment) to be used for establishing new farm allotments and for adjustments in old farm allotments which are found by the county committee to be out of line with allotments for other farms, taking into account the factors enumerated. The county committee is required, however, to allot not less than 30 percent of such reserve for the purpose of increasing allotments to farms to which allotments of not exceeding 15 acres are made under other provisions of the bill. The acreage set aside by the county committee under this authority is in addition to any acreage apportioned to the county from the State reserve.

The provisions of the bill relating to farm acreage allotments closely parallel the corresponding provisions of the 1938 act, except that the bill provides for a county reserve and omits the provision in the 1938 act providing for a minimum farm allotment of not less than 50 percent of the sum of the acreage planted to cotton in 1937 plus the acreage "diverted" from cotton in 1937 under specified programs. The bill retains important principles of the 1938 act relating to the establishment of small farm allotments and to the establishment of other allotments primarily on the basis of cropland rather than on the basis of cotton history on the farm.

Seetion 344 (g)–(j), (l)—Other provisions relating to acreage allotments

The bill provides that 1949 acreages and yields shall be disregarded in the establishment of State, county, and farm acreage allotments and yields. This provision merely recognizes the existing law contained in Public Law 28, Eighty-first Congress.

The bill provides that any farm on which the acreage planted to cotton is less than the farm acreage allotment by not more than the larger of 10 percent or 1 acre shall be deemed to have a history of cotton production for the year involved equal to the farm acreage allotment. In the past, farmers have tended to underplant their allotments by amounts sufficient to assure compliance. This provision will enable the farmer to continue this practice without the risk of a reduced allotment. There is no comparable provision in the 1938 Act.

The bill provides that the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by any governmental agency which has been returned to agricultural production but which is not eligible for an old farm allotment, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in the State in 1940 or thereafter for any governmental or other public purpose. The application for any such allotment is required to be filed within 3 years after the acquisition of the farm by the applicant or within 3 years after the enactment of the bill, whichever period is longer. No person would be entitled to an allotment under both provisions of the bill, and the allotment established is required to be comparable to the allotments for other farms in the area which are similar, taking into consideration the factors enumerated. The allotments established under this provision of the bill would be in addition to the acreage allotments otherwise established for the county and State, and the production from the additional acreage would be in addition to the national marketing quota. This provision is similar to a provision in the 1938 act, except that the 1938 act applies only where the farm was acquired for national-defense purposes. The committee recognizes the fairness of continuing this type of provision to take care of the farmer who loses his farm by reason of governmental action.

The bill provides that any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments in future years. The committee believes that the noncooperator should not be permitted to defeat the purposes of the program by planting excess acreage and at the same time increase his acreage allotment at the expense of cooperators. This provision differs from the 1938 act under which acreage planted in excess of the farm acreage allotment is taken into account in establishing State, county, and farm allotments.

The bill provides that the State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to acreage allotments and marketing quotas in the State and county. This represents a change from the 1938 act, but the committee feels that farmers are entitled to this information to enable them to determine whether or not their acreage allotments have been determined in accordance with law.

The bill contains directions with respect to the manner in which Public Law 12, Seventy-ninth Congress, is to be administered in order that the war-crop credits provided for under the provisions of that

act will be fairly and accurately determined and properly credited to the farms and to the areas entitled under the law to receive such credits. The committee by this provision intends to resolve finally all questions relative to the manner in which Public Law 12 is to be applied. This provision was adopted after extensive hearings and investigations by the committee. It has the full approval of the representatives of all the various cotton-producing areas. It is believed that this provision will remove the fears which have existed in the minds of farmers concerning their rights under Public Law 12.

An eligible farm to receive war-crop credit is a farm which had a 1942 cotton-acreage allotment and on which (1) the cotton acreage on the farm in 1945, 1946, or 1947 was reduced below the cotton acreage planted on the farm in 1941, and (2) the war-crop acreage on the farm in 1945, 1946, or 1947 was increased above the war-crop acreage on the farm in 1941.

A farmer is to be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (1) the reduction in cotton acreage for each of the years 1945, 1946, and 1947 below the acreage planted to cotton in 1941, or (2) the increase in war crops for each of the years 1945, 1946, and 1947 above that planted to war crops in 1941. Provision is made under which the county committee in its discretion may, under certain circumstances, adjust the war-crop credit for any farm whenever the county committee determines that the reduction in cotton acreage on such farm was not related to an increase in war crops. Such adjustment, however, is authorized to be made only after notice has been given to the producer concerned of the proposed adjustment and after the county committee has consulted with the producer and satisfied itself that the adjustment is proper. Any county committee making downward adjustment should provide the farmer concerned with a statement showing the extent of, and the basis for, such adjustment. In providing this authority, it is not the intent of the committee to indicate that any such adjustments are required to be made or that any should be made. This authority is provided so that it will be available in the event that cases may arise where it would be clear beyond doubt to the county committee that the reduction in cotton acreage was wholly unrelated to increased war crop production. The burden of showing that the reduced cotton acreage bears no relation to increased war-crop production rests upon the county committee and any doubt should be resolved in favor of the grower if the cotton acreage on the farm was reduced and the war-crop acreage was increased. It is not the intent of the committee in granting this authority that a county committee should employ any subjective standard or test or try to probe the mind of the farmer to ascertain the motive of the farmer in reducing his cotton acreage and in increasing his war-crop acreage. The motive of the farmer in decreasing his cotton acreage and in increasing his war-crop acreage is immaterial.

In order to obtain the information necessary to enable a proper determination of war-crop credits to be made, the bill directs the Secretary to use the information obtained from the survey which is now being made of every farm which had a 1942 cotton-acreage allotment, and to thus obtain for each farm the most accurate information possible as to the total acreage in cultivation and the acreage of

individual crops planted on each such farm in the years 1941, 1945, 1946, and 1947. The information obtained from this survey is absolutely necessary because, in the course of its investigation, it has been demonstrated to the satisfaction of the committee that there is no other adequate information presently available (statistically or otherwise) which would enable a true and proper determination to be made with respect to war-crop credits due the farms and the areas in which such farms are located, except in those cases where the acreage of a war crop has been actually measured or adjusted for use in the determination of acreage allotments. The records of such measured or adjusted war-crop acreage would, of course, be the most accurate information possible. After obtaining the required information through the survey, the Secretary is authorized to work through and with the State and county committees and, using the information then available from this source, is directed to make as accurate a determination as is possible of the credits due each individual farm. This provision will have the effect of freeing the Secretary from any restrictions with respect to the use of statistics which might otherwise be construed as limiting the character or kind of information which the Secretary might use in making war-crop-credit determinations.

Under the provisions of the bill the Secretary is directed to use the information obtained through surveys and investigations in order that proper war-crop determinations may be made. It is the position of the committee that since the statistical estimates of war-crop credits presently available in the Department of Agriculture are not adequate, the Secretary in making war-crop determinations should not be bound or required to adjust his determinations to coincide with any statistics. On the contrary, this bill will require the Secretary to obtain and use the most accurate information available from any source to the end that true and proper war-crop determinations may be made.

The war-crop credits due each individual farm in each county are to be added to the county and the total war-crop credits due all of the counties in the State are to be added to the State. The acreages thus credited to the States, counties, and farms for the years 1945, 1946, and 1947 shall be taken into full account in the determination and distribution of cotton acreage allotments on a National, State, county, and farm basis.

This provision of the bill in no way affects the allotments required to be established for veterans under the provisions of Public Law 12, Seventy-ninth Congress.

Section 345—Farm marketing quotas

The farm marketing quota under the bill is the actual production of the acreage planted to cotton on the farm less the "farm marketing excess." The farm marketing excess is the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment. The bill provides, however, that the farm marketing excess shall not be larger than the amount by which the actual production on the farm exceeds the normal production of the farm acreage allotment, if the farmer establishes such actual production to the satisfaction of the Secretary.

Under the provisions of the bill any farmer who plants within his farm acreage allotment would be entitled to market his entire production free of penalty. If the cotton acreage on the farm exceeds the

farm acreage allotment, the penalty would be calculated on the normal production of the excess acreage subject to adjustment if the farm marketing excess should be reduced because the farm yield is less than normal. If the farm is overplanted and the farmer can establish that the entire production on the farm does not exceed the normal production of his farm acreage allotment, the farm marketing excess would be reduced to zero and no penalty would be involved.

This provision of the bill differs from the 1938 act as it relates to cotton, but is similar to that act as it relates to corn and wheat. Under the 1938 act suit for the collection of cotton penalties involved the matter of proof that the farmer had actually marketed more cotton than permitted by his farm quota. In numerous cases the Department was unable, after investigation, to obtain sufficient evidence of such marketing, although it was common knowledge in the community that the cotton had been marketed. Under the bill, the penalty on the farm marketing excess is due and payable even though such excess is not actually marketed. Consequently, the bill avoids one of the difficulties experienced under the 1938 act, and will enable the Department to deal more effectively with the noncooperator, thereby assuring cooperators the full benefits of the adjustment program.

Section 346—Penalties

The bill provides that the producer shall be subject to a penalty on the "farm marketing excess" at a rate per pound equal to 50 percent of the parity price of cotton. The penalty rate under the 1938 act was 50 percent of the loan rate which, over the years, has been a varying percentage of the parity price of cotton. The penalty is required to be paid by the producer and collected by the buyer. The penalty would be computed upon the normal production of the acreage planted to cotton in excess of the farm acreage allotment, and would be due and payable in accordance with the regulations to be issued by the Secretary of Agriculture.

Section 347—Reductions in stored cotton

The bill provides that the penalty may be avoided or postponed by storage of the excess cotton. If the excess cotton is not so stored or the penalty paid, all cotton marketed from the farm would be subject to penalty. Where cotton is stored to avoid payment of penalty, reductions in storage are authorized if the acreage allotment for a future crop is underplanted or if the production for a future year is less than the normal production of the farm-acreage allotment. The provisions relating to penalties and storage are similar to the penalty and storage provisions of the 1938 act as it relates to wheat and corn.

Section 348—Long-staple cotton

This bill exempts long-staple cotton of 1⅛ inches or more in length from marketing quotas, unless the Secretary determines a separate national marketing quota for such cotton. The bill provides that the Secretary shall proclaim a national marketing quota for long-staple cotton whenever the total supply exceeds the normal supply by more than 8 percent. The Secretary is authorized to exempt from such quota any variety or kind of cotton if the total supply therefor is less than 8 percent above the normal supply. If a national marketing quota is proclaimed for long-staple cotton, the other provisions of the bill would apply in determining the amount of the national quota and

acreage allotment, the referendum, the division of the national acreage allotment among States, counties, and farms, etc.

The 1938 act exempts long-staple cotton of 1⅛ inches or more in length from all quotas.

Section 2 (of the bill)—Definitions, measurements, and notice

Section 2 of the bill would amend certain definitions with respect to cotton. The "carry-over" for any marketing year would be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the current calendar year. This differs from the 1938 act in that it excludes United States cotton on hand outside the United States.

The "normal supply" of cotton for any marketing year would be the estimated domestic consumption of cotton for the marketing year for which the normal supply is being determined, plus the estimated exports of cotton for such year, plus 30 percent thereof as a carry-over allowance. This differs from the 1938 act in two respects: (1) Under the 1938 act the estimate of the amount of cotton needed for domestic consumption and export is based on a 10-year average use for those purposes; and (2) the allowance for carry-over under the 1938 act is 40 percent of such consumption and exports instead of 30 percent as in the bill.

The "total supply" of cotton for any marketing year would be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins, and the estimated imports during such marketing year. This definition differs from the 1938 act in that imports are included in the determination of the total supply.

A provision has been added to the bill to enable any farmer to obtain a measurement of his allotted acreage prior to planting. Also, any farmer who is dissatisfied with his acreage measurement which shows him out of compliance, may obtain a second measurement upon request. If the second measurement shows that the planted acreage is in excess of the allotment, the expense of remeasurement would be borne by the farmer. The farmer on any overplanted farm is given a reasonable time after measurement to adjust his planted acreage to his farm allotment.

Notice of the farm acreage allotment is required, insofar as practicable, to be mailed to the farm operator prior to the date of the referendum. The committee feels that this provision in the bill will assure the farmer of notice of his acreage allotment prior to the date of the referendum.

Section 3 (of the bill)—Standard grade

Section 3 of the bill, making Middling ⅞-inch cotton the standard grade for purposes of parity and price support, continues the policy which has heretofore prevailed with respect to cotton.

Section 4 (of the bill)—Amendment to peanut-quota law

This bill amends the peanut-marketing-quota provisions of the 1938 act to provide that the acreage allotment for any State after 1949 shall not be less than 60 percent of the acreage of peanuts harvested for nuts in the State in 1948. The additional acreage required to establish such minimum State allotments would be in addition to the

national acreage allotments and the production therefrom in addition to the national marketing quota. This provision has been included to afford a measure of relief to those States faced with the necessity of severe acreage reductions for more than one crop due to the resumption of marketing-quota programs.

Section 5 (of the bill)—Amendment to wheat-quota law

The bill also contains a provision which establishes minimum farm acreage allotments for wheat. This provision is applicable only to the 1950 crop. It provides for a minimum farm acreage base equal to the larger of (*a*) 50 percent of the acreage on the farm sceded for the production of wheat in 1949 and any other acreage on the farm seeded for the production of wheat in 1948 which was followed and from which no crop was harvested in 1949; or (*b*) 50 percent of the acreage on the farm seeded for the production of wheat in 1948 and any other acreage on the farm seeded for the production of wheat in 1947 which was followed and from which no crop was harvested in the calendar year 1948. In determining the 1950 farm allotment, such minimum base would be adjusted in the same ratio as the national average seedings for the production of wheat during the years 1939–48 (as adjusted under the 1938 act) bears to the national acreage allotment for wheat for the 1950 crop. The acreage required by this amendment would be in addition to the county, State, and National acreage allotments otherwise provided for under the 1938 act.

This provision gives recognition to good farming practices by taking into account summer fallowed wheatland in establishing base acreage and will tend to place those farms upon which good farming practices have been followed upon an equal footing with farms which have been fully cropped. It will also afford relief to farms in areas which in the last year or two have greatly expanded their wheat acreages and, but for the relief afforded under this provision, would be required to bear acreage reductions for the 1950 crop greatly out of proportion to the reductions required of wheat farms generally. The bill directs the Secretary in making the adjustments authorized under this provision to exclude any acreage which he determines will become an undue erosion hazard under continued farming.

CHANGES IN EXISTING LAW

In compliance with clause 2a of rule XIII of the House of Representatives, changes in existing law made by this bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is italicized, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

SEC. 301. (b) (3) (B) "Carry-over" of cotton for any marketing year shall be the quantity of cotton on hand [either within or without] *in* the United States at the beginning of such marketing year, *not including any part of the crop* which was produced in the United States [prior to the beginning of] *during* the calendar year then current.

SEC. 301. (b) (10) (A) "Normal supply" in the case of corn, [cotton,] rice, and wheat shall be a normal year's domestic consumption and exports of the commodity, plus 7 per centum in the case of corn, [40 per centum in the case of cotton,] 10 per centum in the case of rice, and 15 per centum in the case of wheat, of a normal year's domestic consumption and exports, as an allowance for a normal carry-over.

(B) The "normal supply" of tobacco shall be a normal year's domestic consumption and exports plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports as an allowance for a normal carry-over.

(C) The "normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over.

SEC. 301. (b) (16) (A) "Total supply" of corn, [cotton,] rice, and wheat for any marketing year shall be the carry-over of the commodity for such marketing year plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins.

(B) "Total supply" of tobacco for any marketing year shall be the carry-over at the beginning of such marketing year plus the estimated production thereof in the United States during the calendar year in which such marketing year begins, except that the estimated production of type 46 tobacco during the marketing year with respect to which the determination is being made shall be used in lieu of the estimated production of such type during the calendar year in which such marketing year begins in determining the total supply of cigar-filler and cigar-binder tobacco.

(C) "Total supply" of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.

[FINDING AND PROCLAMATION OF SUPPLIES, AND SO FORTH

[SEC. 342. Not later than November 15 of each year the Secretary shall find and proclaim (a) the total supply, the normal supply, and the carry-over of cotton as of August 1 of such year, (b) the probable domestic consumption of American cotton during the marketing year commencing August 1 of such year, (c) the probable exports of American cotton during such marketing year, and (d) the estimated carry-over of cotton as of the next succeeding August 1. For the marketing year 1937–1938 the Secretary shall make all the findings and proclamations provided for in this section not later than ten days after the date of the enactment of this Act.

[AMOUNT OF NATIONAL ALLOTMENT

[SEC. 343. (a) Not later than November 15 of each year the Secretary shall find and proclaim the amount of the national allotment of cotton for the succeeding calendar year in terms of standard bales of five hundred pounds gross weight. The national allotment shall be the number of bales of cotton adequate, together with the estimated carry-over as of August 1 of such succeeding calendar year, to make available a supply of cotton, for the marketing year beginning on such August 1, equal to the normal supply. The finding and proclamation of the national allotment for the calendar year 1938 shall be made not later than 10 days after the date of the enactment of this Act.

[(b) If the national allotment of 1938 or 1939 is determined to be less than ten million bales, the national allotment for such year shall be ten million bales for such year, as the case may be. If the national allotment for 1938 or 1939 is determined to be more than eleven million five hundred thousand bales, it shall be eleven million five hundred thousand bales for such year as the case may be. The national allotment for any year (after 1939) shall be not less than ten million bales.

[(c) Notwithstanding the foregoing provisions of this section, the national allotment for any year shall be increased by a number of bales equal to the production of the acres allotted under section 344 (e) for such year.

[APPORTIONMENT OF NATIONAL ALLOTMENT

[SEC. 344. (a) The national allotment for cotton for each year (excluding that portion of the national allotment provided for in section 343 (e)) shall be apportioned by the Secretary among the several States on the basis of the average, for the five years preceding the year in which the national allotment is determined, of the normal production of cotton in each State. The normal production of a State for a year shall be (1) the quantity produced therein plus (2) the normal

yield of the acres diverted in each county in the State under the previous agricultural adjustment or conservation programs. The normal yield of the acres diverted in any county in any year shall be the average yield per acre of the planted acres in such county in such year times the number of acres diverted in such county in such year.

[(b) The Secretary shall ascertain, on the basis of the average yield per acre in each State, a number of acres in such State which will produce a number of bales equal to the allotment made to the State under subsection (a). Such number of acres plus the number of acres allotted to the State pursuant to subsection (e) (2) is referred to as the "State acreage allotment." The average yield per acre for any State shall be determined on the basis of the average of the normal production for the State for the years used in computing the allotment to the State, and the average, for the same period, of the acres planted and the acres diverted in the State.

[(c) (1) The State acreage allotment (less the amount required for apportionment under paragraph (2)) shall be apportioned annually by the Secretary to the counties in the State. The apportionment to the counties shall be made on the basis of the acreage planted to cotton during the five calendar years immepreceding the calendar year in which the State allotment is apportioned (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such five-year period.

[(2) Not more than 2 per centum of the State acreage allotment shall be apportioned to farms in such State which were not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton; crop rotation practices; and the soil and other physical facilities affecting the production of cotton.

[(d) The allotment apportioned to the county under subsection (c) (1), plus any amount allotted to the county under subsection (e), shall be apportioned by the Secretary, through the local committees, among the farms within the county on the following basis:

[(1) To each farm on which cotton has been planted during any of the previous three years there shall be allotted the smaller of the following—

[(A) Five acres; or

[(B) The highest number of acres planted to cotton (plus the acres diverted from the production of cotton under the agricultural adjustment or conservation programs) in any year of such three-year period;

[(2) Not more than 3 per centum of the amount remaining, after making the allotments provided for under paragraph (1), shall be allotted, upon such basis as the Secretary deems fair and equitable, to farms (other than farms to which an allotment has been made under paragraph (1) (B)) to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection; and

[(3) The remainder of the total amount available to the county shall be allotted to farms on which cotton has been planted during any of the previous three years (except farms to which an allotment has been made under paragraph (1) (B)). The allotment to each farm under this paragraph, together with the amount of the allotment to such farm under paragraph (1) (A), shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreage the acres devoted to the production of sugarcane for sugar, wheat, tobacco, or rice for market or wheat or rice for feeding to livestock for market: *Provided, however,* That if a farm would be allotted under this paragraph an acreage, together with the amount of the allotment to such farm under paragraph (1) (A), in excess of the largest acreage planted to cotton plus the acreage diverted from the production of cotton under the agricultural adjustment or conservation program during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted and diverted in any such year.

[(e) (1) For 1938, 1939, and any subsequent year, the Secretary shall allot to the several counties, to which an apportionment is made under subsection (c), a number of acres required to provide a total acreage for allotment under this section to such counties of not less than 60 per centum of the sum of (1) the acreage planted to cotton in such counties in 1937, plus (2) the acreage therein diverted from cotton production in 1937 under the agricultural adjustment and conserva-

tion program. The acreage so diverted shall be estimated in case data are not available at the time of making such allotment.

[(2) The Secretary shall allot to each State to which an allotment is made under subsection (b), and in which at least three thousand five hundred bales were produced in any of the five years immediately preceding the year for which the allotment is made, a number of acres sufficient to provide a total State acreage allotment for such State of not less than five thousand acres.

[(f) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

[(g) For 1938, 1939, and each subsequent year an acreage equal to 4 per centum of the State acreage allotment shall be apportioned by the Secretary, to counties and farms in the State receiving allotments under this Part, in the following manner:

[(1) An amount of the additional allotment provided for in this subsection sufficient to allot to each farm the acreage allotments provided for in subparagraphs (A) and (B) of paragraph (1) of subsection (d) of this section shall be used for making such acreage allotments as therein provided.

[(2) In counties in which the allotment is not sufficient to provide adequate and representative allotments to other farms in the county as a result of the allotments required by section 344 (d) (1) (A) and (B), an additional acreage shall be allotted to such farms to make the allotment to each of such farms as nearly equal to the allotment which would have been made to such farms in the absence of the provisions of (A) and (B) of subsection 344 (d) (1) as the remainder of the 4 per centum will permit.

[(3) After making the allotments provided for in paragraphs (1) and (2) of this subsection the remainder of the 4 per centum may be apportioned in amounts determined by the Secretary to be fair and reasonable to farms or counties receiving allotments which the Secretary determines are inadequate and not representative in view of past production of cotton on the farm or in the county.

[(h) Notwithstanding any other provisions of this section, the cotton acreage allotment for any farm for 1938, 1939, and each subsequent year, after making the allotments provided in subsection (g), shall be increased by such amount as may be necessary to provide an allotment of not less than 50 per centum of the sum of the acreage planted in cotton in 1937 and the acreage diverted from cotton production in 1937 under the agricultural conservation program, as determined for each farm in accordance with regulations prescribed by the Secretary and for any crop year any part of the acreage allotted to individual farms in the State which it is determined, in accordance with regulations prescribed by the Secretary, will not be planted to cotton in the year for which the allotment is made, shall be deducted from the allotments to such farms and may be apportioned, in amounts determined by the Secretary to be fair and reasonable, preference being given to farms in the same county receiving allotments which the Secretary determines are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in the immediately preceding year: *Provided*, That any such transfer of allotment shall not affect apportionment for any subsequent year: *Provided*, That this subsection shall not operate to raise the cotton acreage of any farm above 40 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.]

[PUBLIC, Numbered 6, Seventy-sixth Congress—*Provided*, That hereafter such allotment of acreage in counties shall be to such farms as the county committee of such county may designate. In making such designation the county committee shall consider only the character and adaptability of the soil and other physical facilities affecting the production of cotton and the need of operator for an additional allotment to meet the requirement of the families engaging in the production of cotton on the farm in such year.]

[(i) The acreage required for apportionment under subsection (g) and (h) shall be in addition to the State acreage allotment, and the production of such acreage shall be in addition to the national allotment.

[(j) Notwithstanding any other provision of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter by the United States for national-defense purposes shall be placed in an

allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

[MARKETING QUOTAS

[SEC. 345. Whenever the Secretary determines that the total supply of cotton for any marketing year exceeds by more than 7 per centum the normal supply thereof for such marketing year, the Secretary shall proclaim such fact not later than November 15 of such marketing year (or, in case of the marketing year 1937–1938, within ten days after the date of enactment of this Act), and marketing quotas shall be in effect during the next succeeding marketing year with respect to the marketing of cotton. Cotton produced in the calendar year in which such marketing year begins shall be subject to the quotas in effect for such marketing year notwithstanding that it may be marketed prior to August 1.

[AMOUNT OF FARM MARKETING QUOTAS

[SEC. 346. (a) The farm marketing quota for cotton for any farm for any marketing year shall be a number of bales of cotton equal to the sum of—

[(1) A number of bales equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment, and

[(2) A number of bales equal to the amount, or part thereof, of cotton from any previous crop which the farmer has on hand, which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the cotton actually marketed during such preceding marketing year, could have been marketed without penalty.

[(b) The penalties provided for in section 348 shall not apply to the marketing of cotton produced on any farm for which a farm acreage allotment has been made for the current crop if the production of the current crop does not exceed one thousand pounds of lint cotton.

[REFERENDUM

[SEC. 347. Not later than December 15 of any calendar year in which a proclamation of farm marketing quotas pursuant to the provisions of this Part has been made, the Secretary shall conduct a referendum, by secret ballot, of farmers who were engaged in production of the crop harvested prior to the holding of the referendum to determine whether they favor or oppose such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, prior to the end of such calendar year, proclaim the result of the referendum, and upon such proclamation the quotas shall become ineffective. If a proclamation under section 345 is made with respect to the 1938 crop, the referendum with respect to such crop shall be held not later than thirty days after the date of the enactment of this Act and the result thereof shall be proclaimed not later than forty-five days after such date.

[PENALTIES

[SEC. 348. Any farmer who, while farm marketing quotas are in effect, markets cotton in excess of the farm marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to the following penalties with respect to the excess so marketed: 2 cents per pound if marketed during the first marketing year when farm marketing quotas are in effect; and 3 cents per pound if marketed during any subsequent year, except that the penalty shall be 2 cents per pound if cotton of the crop subject to penalty in the first year is marketed subject to penalty in any subsequent year.

[INELIGIBILITY FOR PAYMENTS

[SEC. 349. (a) Any person who knowingly plants cotton on his farm in any year on acreage in excess of the farm acreage allotment for cotton for the farm

for such year under section 344 shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended.

[(b) All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted to the farm under section 344 for such year.

[LONG STAPLE COTTON

[SEC. 350. The provisions of this Part shall not apply to cotton the staple of which is one and one-half inches or more in length.]

NATIONAL MARKETING QUOTA

SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: Provided, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than November 15 of the calendar year in which such determination is made.

REFERENDUM

SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: Provided, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

ACREAGE ALLOTMENTS

SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the

case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

(e) The State acreage allotment for cotton for 1950, 1951, and 1952 shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, and for each year thereafter shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: Provided, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: Provided, however, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of

one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: Provided, That not less than 30 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

(g) Notwithstanding the foregoing provisions of this section—

(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: Provided, That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: and provided further, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the

most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determine that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

FARM MARKETING QUOTAS

SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: Provided, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

PENALTIES

SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored. Upon failure to so store the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer.

(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored, except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

(e) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

AUTHORIZED REDUCTIONS IN STORAGE

SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to cotton.

(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment. Provided, That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

LONG STAPLE COTTON

SEC. 348. (a) Unless marketing quotas are in effect under subsection (b) of this section the provisions of this part shall not apply to cotton the staple of which is one and one-half inches or more in length.

(b) Whenever during any calendar year the Secretary determines that the total supply of the cotton specified in subsection (a) of this section for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year: Provided, That the Secretary may exempt from such quota any variety or kind of such cotton if he finds that the total supply does not exceed the normal supply thereof by more than 8 per centum. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of such long staple cotton adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of the Act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such long staple cotton.

SEC. 358. (c) The national acreage allotment shall be apportioned among States on the basis of the average acreage of peanuts harvested for nuts in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut-acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided,* That the allotment established for any State for any year subsequent to 1941 shall not be less than 95 per centum of the allotment established for such State for the crop produced in the calendar year 1941: *Provided further,* That for the second or third year of any three-year period in which marketing quotas are in effect the acreage allotment for each State for such year shall be increased above or decreased below the allotment for the State for the immediately preceding year by the same percentage as the national marketing quota for such year is increased above or decreased below the national marketing quota for the preceding year[.]*: Provided further, That the allotment established for any State for any year subsequent to 1949 shall be not less than 60 per centum of the acreage of peanuts harvested for nuts in the State in 1948 and any additional acreage so required shall be in addition to the national acreage allotment and the production from such acreage shall be in addition to the national marketing quota.*

PUBLICATION AND NOTICE OF QUOTA

SEC. 362. All acreage allotments, and the farm marketing quotas established for farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. An additional copy of this information shall be kept available in the office of the county agricultural extension agent or with the chairman of the local committee. Notice of the farm marketing quota of his farm shall be mailed to the farmer. *Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.*

SEC. 374. (*a*) The Secretary shall provide, through the county and local committees, for measuring farms on which corn, wheat, cotton, peanuts, or rice is produced and for ascertaining whether the acreage planted for any year to any such commodity is in excess of the farm acreage allotment for such commodity for the farm under this title. If in the case of any farm the acreage planted to any such commodity on the farm is in excess of the farm acreage allotment for such commodity for the farm, the committee shall file with the State committee a written report stating the total acreage on the farm in cultivation and the acreage planted to such commodity.

(*b*) *With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment.*

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(9) The marketing penalty for [cotton and] rice produced in the calendar year in which any marketing year begins (if beginning with or after the 1941–1942 marketing year) shall be at a rate equal to 50 per centum of the basic rate of the loan for cooperators for such marketing year under section 302 of the Act and this resolution.

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Union Calendar No. 466

81ST CONGRESS
1ST SESSION

H. R. 5738

[Report No. 1148]

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 1949

Mr. PACE introduced the following bill; which was referred to the Committee on Agriculture

AUGUST 1, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing

quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than November 15 of the calender year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton

in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided,* That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States

on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f)

(1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law

12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton for 1950, 1951, and 1952 shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, and for each year thereafter shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided,* That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed

the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirri-

gated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (c), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection

so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided,* That not less than 30 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allot-

ment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for non-farming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided,* That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: *And provided further,* That no person shall be entitled to receive an allotment under both

(1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or

(B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted

cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determine that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of

war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided,* That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty

and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored. Upon failure to so store the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer.

"(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored, except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

"(e) The person liable for payment or collection of

the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"AUTHORIZED REDUCTIONS IN STORAGE

"SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to cotton.

"(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided,* That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

"LONG STAPLE COTTON

"SEC. 348. (a) Unless marketing quotas are in effect under subsection (b) of this section, the provisions of this part shall not apply to cotton the staple of which is one and one-half inches or more in length.

"(b) Whenever during any calendar year the Secretary determines that the total supply of the cotton specified in subsection (a) of this section for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year: *Provided,* That the Secretary may exempt from such quota any variety or kind of such cotton if he finds that the total supply does not exceed the normal supply thereof by more than 8 per centum. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of such long staple cotton adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of the Act relating to marketing quotas and acreage

allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such long staple cotton."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: " 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 per centum in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation pro-

vide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following new matter: "*Provided further*, That the allotment established for any State for any year subsequent to 1949 shall be not less than 60 per centum of the acreage of peanuts harvested for nuts in the State in 1948 and any additional acreage so required shall be in addition to the national acreage allotment and the produc-

tion from such acreage shall be in addition to the national marketing quota."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 per centum of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

(B) 50 per centum of

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national average seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided,*

That no acreage shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

Union Calendar No. 466

81ST CONGRESS
1ST SESSION

H. R. 5738

[Report No. 1148]

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. PACE

JULY 25, 1949

Referred to the Committee on Agriculture

AUGUST 1, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

81st Congress, 1st Session | HOUSE OF REPRESENTATIVES | Report No. 1157

CONSIDERATION OF H. R. 5738

August 1, 1949.—Referred to the House Calendar and ordered to be printed

Mr. Lyle, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 304]

The Committee on Rules, having had under consideration House Resolution 304, report the same to the House with the recommendation that the resolution do pass.

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House Calendar No. 123

81ST CONGRESS
1ST SESSION

H. RES. 304

[Report No. 1157]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1949

Mr. LYLE, from the Committee on Rules, reported the following resolution: which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5738) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and

report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

House Calendar No. 123

81st CONGRESS
1st SESSION

H. RES. 304

[Report No. 1157]

RESOLUTION

Providing for the consideration of the bill (H. R. 5738) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. LYLE

AUGUST 1, 1949

Referred to the House Calendar and ordered to be printed

For the reasons which I have outlined, Mr. Chairman, I urge the favorable passage of H. R. 1161.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, while the amendment offered by my distinguished friend the gentleman from Michigan [Mr. CRAWFORD] may be germane, it is certainly not relevant or pertinent to the inquiry we are now pursuing. Branch banking has always been a highly involved and controversial question. The gentleman's amendment goes into the broad field of branch banking. This amendment has been submitted to the Secretary of the Treasury and both he and the Comptroller of the Currency disapprove it.

What would be the result of the operation of this amendment? It does not apply, as does the bill, to the conversion of national banks into State banks, but it goes the other way and applies to the conversion of State banks into national banks and provides that the branches that they have at the time of the conversion shall remain. What would be the result? The State bank might have four or five branches and it would merge with a national bank that has four or five branches; then, in violation of the objective of State laws and in possible contravention of the laws of the Federal Government, with certain exceptions, those branches must remain in operation.

This would be a violation of the spirit of branch banking in the dual banking system; it would bring nothing but confusion and chaos, and would destroy the orderly banking system. It was not very long ago that the question was whether the National Government had the power to establish national banks in a State; now we are saying to the National Government that they must maintain in the States the branches which the State bank has established irrespective of what the banking needs might require, or irrespective of what the future banking needs might require. Certainly you do not want that.

We have not had any committee consideration of this amendment; we do not know what the effect would be, but the people who have had the chance to study this matter most thoroughly and who have devoted all their time to the administration of the banking laws are opposed to it. I hope you will not do anything so drastic and so far-reaching as to adopt this amendment.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield for a question.

Mr. NICHOLSON. Does not this bill put the Federal Government into the banking business in competition with our own State banks and laws relative to running them, put them under Federal power down here in Washington?

Mr. SPENCE. The Federal Government has been in the banking business in the States since the time that John Marshall decided that they could go there. This bill does not change any of the fundamental laws of banking it merely gives the right to a national bank to convert into a State bank without going through the expensive, lengthy, and cumbersome proceedings of liquidation and reincorporation.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield for a further question?

Mr. SPENCE. Mr. Chairman, I decline to yield further.

The CHAIRMAN. The time of the gentleman from Kentucky has expired; all time has expired. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and on a division (demanded by Mr. CRAWFORD) there were—ayes 4, noes 57.

So the amendment was rejected.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CARROLL, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, pursuant to House Resolution 305, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 91, noes 1.

So the bill was passed.

A motion to reconsider was laid on the table.

COTTON ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. LYLE. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 304 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5738) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 155]

Bailey	Gilmer	Powell
Bates, Ky.	Gore	Quinn
Blackney	Gregory	Richards
Bland	Hedrick	Scott,
Bolton, Ohio	Hinshaw	Hugh D., Jr.
Boykin	Hope	Secrest
Brooks	Hull	Shafer
Buckley, N. Y.	Kirwan	Short
Bulwinkle	Larcade	Smith, Ohio
Carlyle	Lichtenwalter	Staggers
Cavalcante	McGrath	Stanley
Celler	McGregor	Stigler
Chudoff	Marcantonio	Taylor
Clevenger	Mason	Teague
Cole, N. Y.	Murphy	Thomas, N. J.
Coudert	Norton	Thomas, Tex.
Dawson	O'Neill	Towe
Deane	Passman	Vinson
Dingell	Patman	Walsh
Eaton	Pfeifer,	Welch, Calif.
Elston	Joseph L.	Whitaker
Engle, Calif.	Pfeiffer,	White, Calif.
Fallon	William L.	Whitten
Fellows	Phillips, Tenn.	Wigglesworth
Fogarty	Plumley	Withrow
Furcolo	Potter	Woodhouse

The SPEAKER. On this roll call 358 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. COLE of New York (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include an article.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include two articles.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include an article appearing in the New York Times.

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include a radio address by Mr. HILL, of Colorado.

COTTON ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. LYLE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this resolution makes in order consideration of the bill H. R. 5738 which prescribes marketing quotas and acreage allotments for cotton, wheat, and peanuts. It is of vital importance to the economy of our Nation and it is a highly technical bill. I think it would

be well for the Members to listen closely to the debate on this matter by members of the committee who have studied the situation over the years.

Mr. Speaker, I reserve the balance of my time and I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, there is no objection on this side to the consideration of the bill. There might be some Members who are going to be opposed to it but there is no objection to the rule.

Mr. LYLE. Mr. Speaker, I yield 13 minutes to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Speaker, I do not pretend to be an authority on agriculture or on cotton, but I do say that the type of farmer I know something about is what might be termed the small family-sized farm. It is he who has a terrific stake in this legislation. Also we have some large farmers in our area. They have much at stake likewise; I feel I know something about their situation too; it is my desire to be fair and just with both, and all farmers.

I can remember very well how the quota system operated when we had it before. And may I say that I am for a farm program. I have never failed to support farm legislation and I expect to support farm legislation pertaining to cotton at this time, today. But when we adopt a farm program, a program of control, make no mistake about it, we are adopting a program of control and control it is. There is no question but what it is control once it is put on. Nobody will dispute that fact. Therefore when we adopt a program of control one important objective should actuate the membership of this House and that is that it be fair.

There are a lot more family-sized farms in this country than any other kind. I think this is a healthy situation and I want it to remain a healthy situation. The little family-sized farmer is the bulwark of many things that are good and fine and I make bold to say that we should examine his situation very carefully when we begin to write a program. We should see whether or not we are treating him as he should be treated. Likewise should have as our objective the giving of a fair and square deal to the big farmer. No one desires to do the wrong thing by any farmers.

I think we ought to be sure in the writing of legislation that the small family-sized farmer is definitely going to come out all right under a farm program. What happens if he does not come out all right? Suppose you give him an allotment that is so small that he cannot make enough dollars on the farm to remain there. What will he do? There is only one thing for him to do, and that is to leave.

The poor-land farmer, because of his situation, is the first man to leave the farm and the last man to return. He does not like to work poor land. It is a mistake to assume that a fellow works poor land simply because he likes to work poor land. He works poor land because that is the only land he can find to work.

I repeat, I desire to state in the years I have been in Congress I have supported all of the agricultural legislation which has been designed to aid and help the farmers of this Nation. Indeed, I feel much constructive work has been done. Never have I had the viewpoint, however, that the programs we have had are perfect. Therefore, I am not reluctant to welcome changes which might be constructive and fair; constructive and fair to all farmers, little and large farmers, owners, and tenants; constructive and fair for the one-horse farmer and the mechanized farmer. Whether or not we shall have a program that will endure will be determined by the soundness, fairness, and justness of the program. Throughout the time I have been in Congress and even before I came here, because I come from a section where we do not have the most fertile land—we are improving our soil—and where our farms are small, I have feared the problems of the family size farmer have not been given as much attention as they warrant. My impression whether I am correct or not has been that too often the problems of the family-size farmer have been dealt with not in a primary manner. By these statements I do not allege there has been a premeditated purpose to mistreat the family-size farmer; rather the fact he is not the most vocal of farmers is probably responsible for the lack of attention the difficulties he faces have received.

There are many small family-size farmers in the United States; however, I am of the opinion they are becoming fewer. No segment of agriculture deserves to receive more protection and help than the family-size farmer. It will be a sad day in this country when a competent family-size farmer, utilizing his own skills and those of his family, cannot go to the farm to earn a living through the toil of himself and that of his family. I feel it should be remembered that the family-size farmer, in the main, is not the one who is responsible for the great surpluses which from time to time have plagued agriculture. Why do I say this? The family-size farmer in the main raises his living at home. He consumes a great proportion of what he produces. Generally speaking, his money crop is very small; therefore, I repeat, it is not he who brings on the great surpluses.

For the past 8 years—since 1941—American agriculture has not been in a normal situation. Beginning in 1941 people left the farm to go into the Army, Navy, and Marine Corps. They left the farm to enter the merchant marine service and to work in the war plants. They tended to leave the poorer farms first; to them they are returning last. After the war there were many jobs. I fancy a rather sizable number of people who could be classified as to their vocation genuine farmers have really not been on the farm since 1941. With unemployment becoming more widespread some of these people who own farms and some who would ordinarily rent farms will be returning and will desire to work and cultivate small farms to earn as a minimum bread and beans, milk and medicine, blue shirts, and overalls. They will not come to the farms to make great profits but to earn livings. Shall these people be denied the privilege of earning these livings. The Agriculture Department in a letter I received seems to agree with my premise in this connection.

I quote from a July 15 letter I received from Secretary Brannon:

> Again speaking in general terms, the Department encourages the development and operation of family-sized farms. By family-sized farms we mean a unit on which the operator and his family perform the major portion of the farming operations. Differences in location, type of soil, type of farming operations, knowledge and ability of the operator, and other factors must be taken into consideration in judging what is a family-sized farm.
>
> We are wholly in accord with the principle that a farmer and his family are entitled to earn a living on a farm.

Note the above carefully. To take care of these people any quota program we adopt should be very flexible. Mind you, there are many genuine farmers in this country in my opinion who today are not pursuing agricultural pursuits. As a matter of fact, they were either compelled or invited to depart from agricultural pursuits. Any quota program should give in my opinion thorough consideration to the genuine family size farmer. It should be definite he will have enough of the quota crop to assure him not a profit income but a living income.

In this connection one of the most unfortunate factors which has characterized quota programs in the past has been the fertility of the soil factor. In establishing individual quotas proper emphasis as I view it to the differences of the fertility of various soils has never been given. The Department uses in the main the acreage standard and has relied on the difficulties of the administration as one of the reasons why it would be impracticable to consider a quantity standard. Be it remembered nobody lives on the number of acres he cultivates. He lives on what the acres produce. If they produce a small amount, he lives on a small amount. If they produce a large amount, he lives on a large amount. I may be given 5 acres of cotton which will produce only one-fifth of a bale of cotton to the acre. Conceivably, my neighbor may be given 5 acres of cotton which will produce 1 bale to the acre. My cotton acreage allotment gives me the income from 1 bale of cotton—his cotton acreage allotment gives him the income from 5 bales of cotton. The paramount question which should be asked by a county committee in alloting acreage should be this—how fertile are the acres?

The significant thing is not how many acres a farmer is given but what the acres will produce. This cannot be emphasized too much.

There has been the theory advanced that if a person is farming poor land he should get off the land and move to a rich land area or cease to farm altogether. This is a wonderful theory which I would like to see possible of attainment. However, America was not built on such a theory. There have been many people who have received their

starts farming the most fertile land they could find which at best was poor land. People do not farm poor land just because they like to work poor land. There have been many people who have become big businessmen that began in relatively unprofitable businesses with obstacles surrounding those businesses. Those who do not understand the meaning of freedom of choice of vocation have at times gone so far as to say that if a person cannot do this, that, or the other, as the Government tells him he should not be in the business. There are those who contend if a person cannot find good land to farm he should not farm. The Creator of us all did not endow all parts of America with fertile land and those who are unfortunate enough to have to farm on unfertile land should not be blamed for a plight they did not bring upon themselves. Often I have heard it said that poor-land farmers should go into some other type of farming. Frequently it is said they should grow cattle, hogs, chickens, and milk cows. This always is a good suggestion provided they can get into such a farm situation. This is not as easy as it sounds.

Over and over it has been alleged that the small poor-land farmer must cease to grow cotton that he cannot compete.

No one would contend I am sure that our present cotton program or the one proposed is designed to bring down the price the purchaser of the cotton must pay. The opposite is true; it is designed to keep the price of cotton up which places cotton in a poorer position to compete. I am for keeping cotton at a good price.

I quote two paragraphs from a letter written me February 16, 1949, by Mr. Loveland, Department of Agriculture:

This is in reply to your letter of January 29, 1949, regarding whether the productive factors of the land should be given special consideration in establishing cotton allotments for farms. Representatives of the Cotton Branch in the Production and Marketing Administration recently discussed with you the suggestions set forth in your letter.

The most serious problem facing the cotton economy of this country at this time is the competition with synthetics for the domestic market and the competition for export outlets. In both instances, the major factor involved is the cost of cotton production as compared with the cost of competitive commodities. Consequently, we believe that if cotton is to maintain its favorable position it must be done through the production of higher quality cotton at lower costs.

Also, I quote a part of a letter written me March 10, 1949, by the assistant to the Under Secretary:

However, efforts have been made to place more emphasis on the productivity of the soil in establishing allotments. It is extremely difficult to use this approach for the reason that we must constantly try to keep the cost of cotton production at a minimum, in order that cotton can compete favorably with other competitive commodities.

Now I quote part of a paragraph from a letter written me June 8, 1949, by Secretary Charles Brannan:

In connection with Mr. Payne's comments on the relatively low support levels for farm commodity prices during the 1930's, it must be kept in mind that the price-support program was started at a time when prices were extremely low. A drastic increase in prices was purposely avoided, in order to raise commodity prices gradually to a level that would be fair to farmers.

On March 23 1949 Under Secretary Loveland, Department of Agriculture, wrote me a letter the pertinent part of which I quote.

We were stating that, in our opinion, low cost producers would be in a more favorable position, if it becomes necessary, for absorbing lower cotton prices in order to compete with other fibers for market outlets.

Obviously, the market price for a given quality of cotton at a particular time and place is the same, regardless of cost at which it was produced; however, cotton produced at lower costs will return the growers a wider margin of profit or lesser amount of loss.

I repeat, the real primary purpose of the cotton program as I see it could not be said to be the placing of cotton in a position to compete by bringing down the price of cotton.

I submitted substantially the following assumption to the United States Department of Agriculture not long ago. Assume a farmer with a family owns a 60-acre farm in east Texas. Assume he had farmed all his life until he left it in 1941 or 1942 and thereafter worked in a defense plant until the war was over and then in the reconverted peacetime plant until recently when he lost his job owning to a reduction in force. He could easily have been a sailor or soldier or merchant seaman. He now returns to his farm with his car, his furniture, and $1,000 in cash. Prior to his leaving the farm he had grown some cotton and some peanuts. Under a program of control, what would his farm program be? I have been interested in the answers I have received. I appreciate the time and attention the department has given the assumed set of circumstances I submitted to them. I quote them.

I quote from a letter written me June 17, 1949 by Secretary Brannan:

In your letter you give an example of a 60-acre east Texas farm which grew cotton and peanuts and had allotments in 1942. The owner was not in the armed services but worked in a defense plant until the war was over and then in private industry until he lost his job in December 1948. The owner now desires to return to this farm and carn a living. He has $1,000 in cash, his furniture and a car. Your request is for information on the other ways, the alternatives, he has for earning his living due to allotments and reduced acreages on cotton and peanuts.

The enclosed tabulation showing the present and adjusted farm organization for a 60-acre cotton farm applicable to southeast Texas may be used to illustrate the possible organization to meet the conditions you describe; i. e., operator returning to a unit after it has been out of crop production for the past 6 years. The illustration assumes that the operator would not receive more than 50 percent of a normal cotton acreage under an allotment program. He would be classified as a new grower. Expenses would include the purchase of additional livestock as well as the ordinary farm operating expenses. The $1,000 cash which the operator has available would be required to take care of farm operating expenses. This may mean that a special form of credit and management guidance during the adjustment period would be necessary. The income of the adjusted unit in this calculation would be approximately 85 percent of the present unit.

The operator would receive 50 percent of a normal cotton acreage under an allotment program?

I continue to quote from the June 17 letter of Secretary Brannan:

However, all units do not lend themselves equally well to adjustments through pro rata allotments. The result is that some units will be faced with smaller incomes. This will bring pressure by these operators to enlarge their business by purchase or lease of land with an allotment. * * * Otherwise the result is to divide the gross income for agriculture among more people and lower the per capita return. This would further widen the gap between farm and nonfarm workers. This may mean that in addition to giving guidance in setting up the most efficient and properly adjusted farm unit that an active program of retraining for adjustment out of agriculture and promotion of rural industry may be needed as a supplement.

The farm program suggestions which will be sent to you by Mr. B. F. Vance will undoubtedly provide a more specific formula applicable to the particular conditions you describe. In the meantime we hope that this will give you a key as to the over-all adjustment problem.

I now include the plan:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 17, 1949.
Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: In accordance with your telephone request we are supplementing our letter of June 3 regarding suggestions for sources of income for small east-Texas farmers who have returned to cotton and peanut farms from private employment. We are also incorporating the information on an alternative organization plan which Mr. P. F. Aylesworth supplied to you at your request.

In your letter you give an example of a 60-acre east-Texas farm which grew cotton and peanuts and had allotments in 1942. The owner was not in the armed service but worked in a defense plant until the war was over and then in private industry until he lost his job in December 1948. The owner now desires to return to this farm and earn a living. He has $1,000 in cash, his furniture, and a car. Your request is for information on the other ways, the alternatives he has, for earning his living due to allotments and reduced acreages on cotton and peanuts.

The enclosed tabulation showing the present and adjusted farm organization for a 60-acre cotton farm applicable to southeast Texas may be used to illustrate the possible organization to meet the conditions you describe; i. e., operator returning to a unit after it has been out of crop production for the past 6 years. The illustration assumes that the operator would not receive more than 50 percent of a normal cotton acreage under an allotment program. He would be classified as a new grower. Expenses would include the purchase of additional livestock as well as the ordinary farm operating expenses. The $1,000 cash which the operator has available would be required to take care of farm operating expenses. This may mean that a special form of credit and management guidance during the adjustment period would be necessary. The income of the adjusted unit in this calculation would be approximately 85 percent of the present unit.

This illustration may also serve to point up some of the problems encountered when it is necessary to impose allotments and quotas on producers of a commodity in which

the production capacity is in excess of the market demand. Established producers as well as those returning to their units must find alternative enterprises to replace the income lost through reductions in the principal crop. Insofar as this can be accomplished there need be no appreciable change in the size or number of farms, only a shift in the pattern of production.

However, all units do not lend themselves equally well to adjustments through pro rata allotments. The result is that some units will be faced with smaller incomes. This will bring pressure by these operators to enlarge their business by purchase or lease of land with an allotment. This means that over-all there must continue to be a shift of people out of agriculture and in these particular areas return of the people to the land must be on a replacement basis. Otherwise the result is to divide the gross income for agriculture among more people and lower the per capita return. This would further widen the gap between farm and nonfarm workers. This may mean that in addition to giving guidance in setting up the most efficient and properly adjusted farm unit that an active program of retraining for adjustment out of agriculture and promotion of rural industry may be needed as a supplement.

The farm-program suggestions which will be sent to you by Mr. B. F. Vance will undoubtedly provide a more specific formula applicable to the particular conditions you describe. In the meantime we hope that this will give you a key as to the over-all adjustment problem.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Alternative organization plan for 60-acre cotton farm

Item	Present	Adjusted
Crops and land use:		
Cotton—acres	25	13
Corn—do	15	15
Oats—do	3	9
Hay and forage—do	8	20
Other—do	4	3
Total	60	60
Livestock:		
All cattle—number	10	10
Milk cows—do	4	8
All hogs—do	4	6
Poultry—do	100	200
Proportion of cash receipts:		
Cotton—percent	57	30
Other crops—do	15	15
Cattle—do	3	3
Other livestock—do	6	12
Livestock products—do	16	37
Other—do	3	3

Also I include a letter to me written by Mr. Vance July 18, 1949, and a telegram Mr. Vance sent me July 18, 1949:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
College Station, Tex., July 18, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: As you were advised in a letter dated June 3 from Mr. A. J. Loveland, Under Secretary of Agriculture, your letter of May 12 has been referred to me for the development of a program that would offer some opportunity for a farmer just returning to an east Texas farm after having spent several years in off-farm employment.

We have spent some time studying the problem in the light of existing legislation having to do with farm allotments for cotton, peanuts, and other crops common to the area involved. Your letter has also been referred to the Department of Agricultural Education of the A. & M. College for study and comments. This department is directly concerned in the development of agricultural programs in the State since, among other things, the vocational agriculture service is one of its principal functions.

In general, we agree with the broad suggestions made in Mr. Loveland's letter of June 3 and are quoting below in its entirety the letter from Dr. E. R. Alexander, head of the Department of Agricultural Education, since we find his suggestions in substantial agreement with those in this office. In addition to the suggestions in the quoted letter, we believe the east Texas area offers an unsurpassed opportunity for the production of beef cattle and believe that any program outlined should include encouragement for this type of farm enterprise, probably in connection with other farm-income producing projects.

"The question asked by Congressman BECKWORTH relative to an approved farming program for small farmers in east Texas, suggests a number of problems that will have to be taken into account in the framing of legislation providing a plan for Government assistance to these farmers.

"The future of farming in east Texas cannot be clearly outlined at present, but it is possible to suggest probable events and trends which may be useful in the development of a long-range Government farm program. It seems to me that a farm program must be planned with four considerations in mind: (1) Long-range trends in world and national affairs, (2) regional economic developments, (3) current farm trends in particular regions, and (4) the present farm setup of the individual farmers—in this case, in east Texas.

"It is obvious that we cannot disregard world politics, international rivalries, and nationalistic aspirations. These factors, plus international trade agreements, may have a significant effect upon our opportunity to dispose of surplus agricultural commodities in world trade.

"Regional economic developments are of tremendous importance in their influence upon the farmer's opportunity to sell his products on the domestic market. It has been a reasoned personal opinion that the Gulf coast area of Texas and the South will become, in time, the center of the world's economic civilization. I have in mind the historical pattern of the movement of the economic centers of influence in the direction of unexploited natural resources. We recall the Tigris-Euphrates Valley, the Mediterranean, the European shores of the Atlantic, the American shores of the Atlantic, and, at present, the northern and northeastern sections of the United States with a contributary influence by the South. The predominating influence in the South lies in the Southwest, the source of sulfur, oil, and natural gas. As is commonly understood, South America contains the largest amount of unexploited natural resources. Since we in the United States have financial, distributing, manufacturing, and agricultural production know-how, it is reasonable to assume that the Gulf coast area will become the next center.

"With the development of large centers of population in the Gulf coast region, farmers will have an opportunity to find an expanding market for a great variety of agricultural commodities, which can be produced in east Texas. I am in agreement with Under Secretary Loveland that farmers of east Texas should be encouraged to increase the production of livestock and livestock products, including dairy and poultry. Rainfall records for this section indicate that farmers can develop pastures that will enable them to produce milk at a greatly reduced cost. Current prices of milk in Houston offer a most encouraging opportunity for the establishment and expansion of the dairy enterprise. It is interesting to note in passing that the June issue of Fluid Milk, USDA, a maximum price of $3.69 per hundred pounds was paid in Wisconsin as compared to $6.80 in Houston and Galveston, and $5.50 in Dallas. This margin of $3.11 makes it possible for handlers of whole milk to buy it and ship it in refrigerated trucks to the Houston market at a profit.

"In brief, my recommendation for the farming program in east Texas would be maximum assistance in soil and water conservation, pasture development, and the production and processing of forage crops. It is true that timber does offer a source of income to farmers, but I am advised by the State forest service that the counties of Angelina and Nacogdoches have a total of 344,000 acres of forest land in holdings of 3,000 acres and above. These two counties have a total of 75,750 acres in national forests. In Angelina county acres in forest land are in excess of 50 percent of agriculture land. In Nacogdoches, it is approximately 25 percent of total agriculture land. I think farmers should be encouraged to improve their handling of their forest, but, at present, I do not anticipate any considerable increase in income from this source."

It is regretted that a prompt reply could not be made to the Secretary's letter of June 3. I am glad to furnish our comments as given above and will furnish additional information as time and circumstances will permit.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

COLLEGE STATION, TEX., *July 18, 1949.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.:

Subject: Program for east Texas farm, your letter May 12.

Believe congressional action for governmental assistance and agricultural production controls should take into account long-range trends in world and national affairs, regional economic developments, current farm trends in particular regions and a present production pattern for east Texas. The world situation must be considered, as international trade agreements have a significant effect on opportunities to dispose of surplus commodities in world trade.

Regional developments must be considered as these influence local markets for farmers' production. Believe Gulf coast area in time will become the center of domestic economic civilization and probably the center of world economic civilization because of its unparalleled natural resources. Feel that enlarged markets for milk, beef, poultry, vegetables, and other food crops offer much better agricultural enterprises in east Texas area because of this economic development than do cotton, peanuts, and some other crops that are in surplus supply, thereby bringing on production controls. Feel Government program for east Texas should include maximum assistance to soil and water conservation, pasture development, and the production of forage crops. Air-mail letter follows.

B. F. VANCE.

I include a letter written me by Mr. Aylesworth, Department of Agriculture, June 13, 1949:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 13, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: In accordance with our telephone conversation I am enclosing a tabulation showing the present and adjusted farm organization for a 60-acre cotton farm applicable to southeast Texas. This shows the direction the adjustment must take; but as for any hypothetical farm plan, revisions would be necessary in making application to specific farms.

This tabulation can be used to illustrate the possible organization for an operator returning to a unit after it had been out of crop production for the past 5 years. This illustration assumes he would receive 50 percent of the normal cotton acreage as an allotment for a new grower. The income on the adjusted unit would be approximately 85 percent of the old unit. Farm expenses would be approximately $1,000 and the cost of additional livestock to be purchased would be $1,000. This may mean that a special form of credit and management guidance during the adjustment period would be necessary.

This illustration serves to point up some of the problems encountered when it is necessary to impose allotments and quotas on producers of a commodity in which the production capacity is in excess of market demand. Insofar as producers of these commodities can find alternative enterprises to replace the income lost by reductions in the principal crop there will be no appreciable change in size or number of farms, only a shift in the pattern of production—usually crop to livestock production.

However, all units do not lend themselves equally well to adjustments through pro rata allotments. The result is that some units will be faced with smaller incomes. This will bring pressure by these operators to enlarge their business by purchase or lease of land with an allotment. This means that over-all there must continue to be a shift of people out of agriculture and in these particular areas return of the people to the land must be on a replacement basis. Otherwise the result is to divide the gross income for agriculture among more people and lower the per capita return. This would further widen the gap between farm and nonfarm workers. This may mean that in addition to giving guidance in setting up the most efficient and properly adjusted farm unit that an active program of retraining for adjustment out of agriculture and promotion of rural industry may be needed as a supplement.

The farm program suggestions which will be sent to you by Mr. B. F. Vance will undoubtedly provide a more specific formula applicable to the particular conditions you describe. In the meantime we hope that this will give you a key as to the over-all adjustment problem.

Sincerely yours,

PHILLIP F. AYLESWORTH,
Office of the Secretary.

Alternative organization plan for 60-acre cotton farm

Item	Present	Adjusted
Crops and land use:		
Cotton—acres	25	13
Corn—do	15	15
Oats—do	3	9
Hay and forage—do	8	20
Other—do	4	3
Total	60	60
Livestock:		
All cattle—number	10	10
Milk cows—do	4	8
All hogs—do	4	6
Poultry—do	100	200
Proportion of cash receipts:		
Cotton—percent	57	30
Other crops—do	15	15
Cattle—do	3	3
Other livestock—do	6	12
Livestock products—do	16	37
Other—do	3	3

Also I include three letters Mr. Loveland, Department of Agriculture, wrote me June 3, 1949, July 7, 1949, and July 28, 1949:

DEPARTMENT OF AGRICULTURE,
Washington, July 7, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: In our letter of June 17 we attempted to point up some of the considerations and problems involved in the illustration you gave.

One of these is credit. The specific needs will depend on the number and price of livestock and operating expenses and can be answered only on an individual-case basis according to prices in the area and the needs of the operator.

The second has to do with the allotment on the farm. Under existing law the Secretary may set aside for new farms as much as 2 percent of the State cotton acreage allotments. As to peanuts, the acreage allotted to new farms in 1949 was eight-tenths of 1 percent of the national acreage allotment. We are uncertain of the acreage which may be reserved for establishing 1950 peanut allotments for new farms. The bills which have been introduced in this Congress to change the cotton and peanut marketing-quota provisions of the Agricultural Adjustment Act of 1938 would authorize a percentage of the national marketing quota or acreage allotment to be set aside for apportionment to new farms.

Another consideration is that of alternative operations. The bill introduced by Senator PEPPER, S. 1092, to provide for aid in industrialization of underdeveloped areas and for other purposes very clearly sets forth this approach. A similar bill along this line was introduced by Congressman BROOKS HAYS in the Eightieth Congress. This is H. R. 2738.

The hypothetical farm plan was given as an illustration only in answer to a hypothetical situation. Any such plan would need to be revised and adjusted according to the specific farm unit involved. As previously stated, we have asked Mr. B. F. Vance to provide a more specific formula applicable to the particular conditions you describe. We believe this will furnish a much more satisfactory basis than to attempt to spell out further details as to prices, costs, and returns on the hypothetical illustration. Mr. Vance will undoubtedly also include material pertinent to the points you have raised regarding credit, allotments, and alternative operations.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, July 28, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of July 20. It was necessary to make certain assumptions in addition to those stated in your letter regarding the kind of livestock to be purchased, the season in which the farmer started operations, and the use made of current receipts. First, it is assumed that the farmer would buy 8 milk cows, 6 feeder pigs, 200 hens, and 10 head of young beef cattle. Second, that the farmer would be starting now (July 1949) any buying livestock at prevailing prices in east Texas, and that he would have no farm-raised feed available for about another 12 months. And third, any income received from the sale of milk and eggs would be used for farm-operating expenses or family maintenance.

From those assumptions we have estimated that the farmer would need approximately $2,800 for the purchase of the livestock and an additional $1,600 for purchased feed for the next 12 months, or a total of $4,400.

Perhaps with very little pasture and no feed on hand the farmer might do well to delay the purchase of the 10 young beef cattle for another year or until he could build up his pasture and feed supply. By this means he could reduce the amount of capital required to $3,000. Unless the farmer already had machinery and tools he would also need to consider a minimum investment for this purpose.

Sincerely yours,

A. J. LOVELAND,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 3, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of May 12, 1949, requesting suggestions for sources of income of small east Texas farmers who have returned to cotton and peanut farms from private employment.

We are not immediately familiar with all of the local conditions in Texas which would have a bearing upon possible sources of income on the type of farm to which you made reference. Therefore, our suggestion to a person situated as explained in your letter would be to seek the advice and counsel of local agricultural agencies and other public service groups who are familiar with local conditions and who, through training and experience, could offer valuable advice in an instance such as you have mentioned.

Based upon general knowledge of the area to which you make reference, it would seem appropriate that a small farmer in that territory should consider the following types of activities which, in many instances, could be developed into a substantial income-supporting enterprise and thereby supplement the income he could obtain from the production of such amounts of cotton and peanuts as he might be able to produce. The production of livestock and livestock products, including dairy and poultry, is being carried on successfully by many farmers in that general territory. The production of forest products can be made a consistent source of supplemental income on most farms where the forests are systematically cared for. The production of some types of grass and legume seeds may be developed as a possible source of income since, in general, there are not sufficient amounts of these types of seed being produced to meet the needs. We realize in many areas there is a need for incomes, which can be made on small farms, to be supplemented with off-farm employment, and that the opportunities in this connection are often limited. The making available of such opportunities most often must be promoted by local people in group activities.

We are referring your inquiry to Mr. B. F. Vance, chairman, Texas Production and Marketing Administration Committee, and asking him to work out a specific farm program that could be adopted to situations you describe. Mr. Vance will reply to you directly.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

Also I include a letter Mr. Vance wrote me July 25, 1949, one July 27, and a letter written me July 22, 1949, by Mr. Wesley McCune, of the Department of Agriculture.

Under the plan, the farmer is given $900 worth of cotton:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND
MARKETING ADMINISTRATION,
College Station, Tex., July 27, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I have a copy of a letter addressed to you from Mr. Wesley McCune, executive assistant to the Secretary, dated July 22, to which was attached a copy of a crop and livestock plan for a 60-acre east Texas farm.

I see nothing materially wrong with the plan. The cost of livestock varies a great deal, depending upon the kind of cows, pigs, and poultry one desires to purchase.

Sincerely yours,

B. F. VANCE,
Chairman, State PMA Committee.

CROP PLAN

Crops	Acres	Production	Value
Cotton	13	3,000 pounds of lint	$900
Corn	15	300 bushels	(1)
Oats	9	250 bushels	(1)
Hay and forage	20	20 tons	(1)
Other	3	Patches to produce food for family	
Total acres [2]	60	Total sales	900

LIVESTOCK PLAN

Kind of livestock	Number	To be produced	To keep	To sell	Value
All cattle	10	8	4	4	$200
Milk cows	8	1,600 pounds of butterfat	400 pounds	1,200 pounds	800
All hogs	6	To produce meat for family			
Poultry	200	1,000 dozen eggs	100 hens	800 dozen	400
Total value of livestock sales.					1,400
Total value of all sales					2,300

[1] Home use.

[2] It is assumed that there would be pasture and woodland in addition to this and that the total farm might be 80 or 100 acres. However, on good land with proper fertilization and good management, the 9 acres in oat land and the 20 acres in hay and forage should produce ample hay and pasture for the livestock. It is doubtful whether 60 acres of average northeast Texas land will support a fair standard of living when operated as a general type of farming by the average farmer in that area. It might be necessary to buy some cottonseed meal or other such feed. It would also be necessary to buy $200 to $300 worth of chicken feed. We cannot give an accurate answer to the question as to cost of cattle, hogs, and chickens, but would make the following guess: Grade milk cows to produce 200 pounds of butterfat per year, $175 to $200 each; pigs at weaning time, $15 each; baby chicks, $15 to $20 per hundred.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
College Station, Tex., July 25, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: It is rather difficult to give figures on the cost of the livestock mentioned in your letter of July 20 since you did not specify the kind of livestock—whether grade, registered, or breeding stock. I am listing below what I consider to be a fair price for the livestock here in Texas. These figures are not that of the Department of Agriculture since I do not have those figures available:

8 good dairy cows	$1,600
6 hogs (5 bred gilts, 1 boar)	240
200 small pullets	100
10 stocker cows	1,500
Total	3,440
Feed for 1 year assuming pasture is available	2,720
Total	6,160

If you would like to have official figures from the Department, I would suggest that you contact the Bureau of Agricultural Economics in Washington. They should be able to give you average figures for the United States for dairy cows, beef cattle, chickens, and hogs. The above figures are my personal estimates of cost here in Texas.

Sincerely yours,

B. F. VANCE,
Chairman, State PMA Committee.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, July 22, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: In accordance with your telephone request, we are enclosing a specimen farm plan for a 60-acre farm that might be applicable to conditions in east Texas.

Assuming the operator has only $1,000 in cash of his own, it will be necessary for him to borrow some money on his livestock in order to start with full-scale operations as the initial cost of the livestock and poultry will be between $2,500 and $3,000. This does not include cost of preparing land, seed, and other initial expenses.

This is one of many variations of a farm plan for a 60-acre farm. In order to develop anything more than a crude outline it would be necessary for some qualified farm management specialist to interview the operator and personally observe the specific farm. Many factors are involved in developing a farm plan such as experience and ability of the operator and his family, type of soil and fertility, and availability of machinery and equipment, as well as markets and transportation.

In some areas a skillful operator could have a very satisfactory income from a 60-acre farm, but believing that was not the type of example you wanted, we have purposely set up an example which will show substandard income and living conditions. Even under most favorable conditions, an inadequate farm plant will not produce a satisfactory return for the operator any more than will an inefficiently operated, under-capitalized business. Also, there is unemployment in labor when industry as a whole is enjoying prosperity.

We do not submit this hypothetical farm plan as a recommendation of the Department, but hope it satisfies your needs.

Sincerely yours,

WESLEY MCCUNE,
Executive Assistant to the Secretary.

But now let us see how many farmers can be helped by the Department of Agriculture.

I quote a letter Mr. Dillard Lassiter wrote me August 1, 1949:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D. C., August 1, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

MY DEAR LINDLEY: This is in reply to your telephone request this morning for information on our loaning activities of the past fiscal year and our plans for the forthcoming year.

During fiscal 1949 we made operating loans averaging $850 to approximately 43,000 new borrowers who were tenant farmers to enable them to purchase equipment, livestock, seed, fertilizer, and other farm operating needs. In addition we helped about 3,000 tenant farmers become owners with the aid of direct or insured land purchase loans that averaged $7,100.

During fiscal 1950 we estimate that we will make operating loans averaging $850 to approximately 45,000 tenant farmers who have not been assisted by this agency in the past. In addition about 4,000 tenant farmers will become owners with real estate loans averaging $7,100 provided or insured by this agency.

Farm and home management assistance which accompanies the loans has enabled borrowers to share in the improvements in farming methods that have been developed in recent years. Their loan repayment record continues to be excellent. Many have increased their equity and otherwise strengthened their financial position so that they are now customers of private and cooperative credit institutions and participate in all types of community development.

As you know the services of the Farmers Home Administration do not duplicate the assistance provided by any other agency. Loans are made only to farmers unable to obtain credit elsewhere and supervision is provided only to borrowers.

If at any time you need additional information concerning the programs of the Farmers Home Administration please let us know.

Sincerely yours,

DILLARD B. LASSITER,
Administrator.

What is the essence of what Mr. Lassiter says? In the first place, in 1949, 3,000 tenant farmers became owners. This 3,000 is well taken care of. In the next place, they loaned on an average of $850 to 43,000 new borrowers. This $850, however, is not the three, four, or five thousand dollars referred to in the plans which is needed. Suppose instead of helping the 43,000 to the tune of $850 you had helped them $4,000 each, more in line with the suggested plans, you could have helped far more than 9,000 farmers, or a total of some 12,000 farmers in all.

Now Mr. Lassiter says the service of the Farmers Home Administration do not duplicate the assistance provided by any other agency. Therefore, the number who could be helped under the plans would be very small.

It is obvious from all these communications that there is quite a wide area of indecision relating to the welfare of the farmer whose plight I describe.

Bear in mind, please, it has been only natural in the past for new cotton farms and farmers to come into the picture. The figures are:

1938	44,498
1939	49,918
1940	50,458
1941	39,099

1942	42,940
1943	18,939

Telling the type of farmer to whom I refer—one found so to be by his county committee—that there is not room for you to grow peanuts or cotton—enough to make him a living—but instead go borrow $6,000 and go into the livestock business—does not add up to me. It is much like telling a man not to put in a hamburger stand but a hardware store instead.

So where does this farmer who cannot borrow the $6,000 go? What does he do?

It will be recalled I quoted from a letter written me June 17, 1949 by Mr. Aylesworth, Department of Agriculture. I quote part of it again.

This means that over-all there must continue to be a shift of people out of agriculture and in these particular areas return of the people to the land must be on a replacement basis.

This sound good. However, at this point I include a letter Dr. Nourse wrote me July 18, 1949:

EXECUTIVE OFFICE
OF THE PRESIDENT,
COUNCIL OF ECONOMIC ADVISERS,
Washington, D. C., July 18, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In your letter of July 15 you put your finger right on a central problem with which we shall be confronted in the years just ahead. Specifically, I do not see too bright a prospect of industry absorbing 250,000 to 500,000 people from agriculture if the policies were such as to crowd these people out of farming. The tendency in industry itself is to economize on labor at present prices through the use of labor-saving equipment and methods. Hence, it becomes extremely important that neither farmers nor industrial workers price themselves out of a numerically adequate market if we are to accomplish the purposes of output in the relatively low-income and equally necessary that management price its products and adjust and utilize its capacities so as to get maximum absorption of output in the relatively low-income market.

Sincerely yours,

E. G. NOURSE,
Chairman.

Also I include a letter the Secretary of Labor wrote me July 21, 1949:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, July 21, 1949.

The Honorable LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: This is in reply to your letter of July 7, 1949, regarding the possibility of employment of displaced farm workers in industry.

I did not intend to imply in my previous letter that industry could absorb substantial numbers of workers beyond the normal additions to the labor force in any one year. It was done during the war years but, of course, that was highly abnormal. The reference was to a gradual process over a period of years as the economy expands through the growth of population and the raising of the standard of living. In the decades since 1929 agricultural employment has decreased by almost one-fourth while employment in nonagricultural activities has increased by more than a third.

It would be highly speculative to attempt to predict whether a half million or a million farmers could be absorbed in industry during the next year or two. If the current downtrend in industry continues, it will, of course, be difficult for such a large number to find nonagricultural jobs. On the other hand, if the trend is reversed, many displaced farmers may obtain employment.

Yours very truly,

MAURICE J. TOBIN,
Secretary of Labor.

Possibly a division of opinion exists as to the purpose of this legislation. I quote from a letter written me November 29, 1948, by Mr. B. F. Vance, department of agriculture, College Station, Tex. Mr. Vance is a very able, fair, and good man.

I am enclosing some suggestions of the Texas State PMA Committee affecting cotton-acreage allotments and marketing quotas for cotton. We feel that it is very important that the present legislation be amended in order that allotments will not be placed on farms where cotton is not being grown at the present time.

The peanut-quota program was rather successful along this line. Eight-tenths of 1 percent of the over-all peanut acreage in 1949 went to new farms.

The observation may be pertinent that some genuine cotton farms are not at the moment growing cotton and that some genuine cotton farmers, found so to be by the county agricultural committee, may not be growing cotton at this moment.

I repeat, when allotments are made, it is my contention two factors should receive attention—the number of acres and the fertility of the soil. Merely allotting a farmer a number of acres is not a sure way to limit production. Conceivably a farmer may double up on the use of commercial fertilizer and produce a third to a half additional to that of his normal production. The higher the profit from the crop, the more likely he is to do this.

I quote at this point from a letter written to me by Secretary Brannan July 14, 1949:

This is in reply to your letter of July 2, 1949, requesting an analysis as to the effect of H. R. 5392, June 29, 1949, on two specified types of cotton farms.

The allotments for these new growers would be based on the land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton.

The size of any farm allotment established pursuant to section 344 (f) of H. R. 5392, June 29, 1949, is influenced by the amount of the county allotment, the acreage of cropland on the particular farm, the acreage of cotton, and other basic crops on the farm and in the county, and county committee adjustments in cotton allotments for individual farms. Therefore, it is impossible to determine the actual allotment for any one farm until the national acreage allotment is established and State and county prorations are made and the cotton acreage history and other cropland uses are known for all eligible farms in the county.

At this point I desire to include a letter and a table sent me July 25, by the Secretary of Agriculture. The figures are the latest I have been able to get:

DEPARTMENT OF AGRICULTURE,
Washington, July 25, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This will acknowledge your letter of July 11, regarding the number of cotton farms in the United States.

The latest data available on the number of cotton farms are from the 1945 Census of Agriculture, which indicates that 1,217,547 farms were reported as having produced cotton in 1944. The average acreage of cotton per farm was 15.6, and the average number of bales per farm was 9.8.

Data from the Census of Agriculture did not provide a complete answer to the question concerning the number of cotton farms producing less than 3 and less than 5 bales of cotton. The Census of Agriculture does provide a break-down of cotton farms classified by the number of acres of cotton harvested. These data indicate that 208,354 farms reported less than 5 acres of cotton harvested in 1944. Production of cotton on these farms totaled 475,157 bales, or an average of about 2.3 bales per farm. The number of farms reporting 5 to 9 acres of cotton harvested was 392,919. Production on these farms totaled 1,911,511 bales, or an average of 4.9 bales per farm. This makes a total of 601,273 farms in these two groups. You realize, of course, that although these farms average 2.3 and 4.9 bales per farm, many of the farms in each group produce more than the average for the group, while others produce less than average.

I am enclosing a brief table from a special report on cotton farms, based on the 1945 Census of Agriculture. This table indicates the total of cotton farms classified by the number of acres of cotton harvested.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Cotton harvested in 1944: Farms reporting, acreage, and production, United States 1945 Census of Agriculture

Item	Farms reporting	Acres	Running bales (square)	Average number of acres per farm	Average number of bales per farm
United States total	1,217,547	18,961,891	11,838,351	15.6	9.7
Under 5 acres	208,354	627,054	475,157	3.0	2.3
5 to 9 acres	392,919	2,658,289	1,911,511	6.8	4.9
10 to 14 acres	268,498	3,047,558	2,198,558	11.4	8.2
15 to 19 acres	121,779	1,974,959	1,345,469	16.2	11.0
20 to 29 acres	101,489	2,294,572	1,436,644	22.6	14.2
30 to 49 acres	64,419	2,340,281	1,248,672	36.3	19.4
50 to 99 acres	41,782	2,737,903	1,341,714	65.5	32.1
100 to 249 acres	15,733	2,151,909	1,152,112	136.8	73.2
250 acres and over	2,574	1,129,366	728,514	438.8	283.0

Source: Special Report, Cotton Farms Classified by Acreage Harvested.

I desire to discuss these figures and some problems I propose to deal with when the committee considers amendments.

Obviously nobody has much idea what he is to receive. One of the ways to protect the little family-size farmer—perhaps a veteran—and any farmer for that

matter is to give him a minimum baleage. I am in accord, too, with the minimum acreage provision except it should be amended to include all bona fide cotton farmers found so to be by their county agricultural committee. As a matter of fact this is the only kind of farmer I have been referring to or have in mind—a bona fide farmer, found so to be by his county agricultural committee. I have the utmast confidence in our county committees. However, they must abide by the law we write.

What minimum baleage should be established?

According to the 1945 Census of Agriculture there were 1,217,547 cotton farms having a total cotton acreage of 18,961,891 and the number of bales produced was 11,838,351. Two hundred and eight thousand three hundred and fifty-four cotton farms grew 5 acres of cotton or less; 392,919 cotton farms grew 5 to 9 acres of cotton; in other words 601,273 cotton farms—about 50 percent of the cotton farms—grew 9 acres of cotton or less. The average number of bales per farm for this group was less than 5 bales.

This 601,273 cotton farms grew 2,386,668 bales—about one-fifth of the total number of bales grown. This means in 1945 about 50 percent of the cotton farms grew about 20 percent of the cotton; the other 50 percent of the cotton farms grew about 80 percent of the cotton. In other words one-half got one-fifth—one-half got four-fifths. Let me repeat one-half of the cotton farms got one-fifth of the baleage; one-half got four-fifths of the baleage. Based on what the Census Department said in a letter written to me July 13, 1949, I quote:

Since the number of farms and the number of farm operators are the same, the number of cotton farmers in 1944 would also be 1,217,547.

This means one-half of the cotton farmers grew one-fifth of the bales and one-half of the cotton farmers grew four-fifths of the bales.

Apparently the Department of Agriculture does not disagree with this. I quote from a letter Mr. Ralph Trigg wrote me July 25, 1949.

In checking with the Census Bureau, Department of Commerce, for the data which you requested we were advised that they had recently supplied you their available information which was similar to that requested in the above-mentioned letter.

According to the 1940 census 50 percent of the cotton income went to 12½ percent of the cotton farms and 50 percent of the cotton income went to 87½ percent of the cotton farmers. If the census letter of July 13 is applicable to this data also, one-half of the cotton income went to one-eighth of the cotton farmers and one-half went to the other seven-eighth of the cotton farmers.

Note this, please, there were 1,217,547 cotton farms in 1944; there were 1,589,706 cotton farms in 1939—a difference of 372,159. Many of these nearly 400,000 cotton farms were not being farmed in 1944 because the operators were in the Army, Navy, Marine Corps, Coast Guard, Merchant Marine, or doing defense work. Too, in 1939 there were 22,809,870 acres—a difference compared with 18,961,891 in 1944 of 3,847,979. Many of these cotton acres were not worked because the workers were in some phase of war activity.

Definitely I feel we should establish a minimum baleage allotment to protect those in the main who are genuine cotton farmers, found so to be by the county agricultural committee, who were engaged in war work. I believe a four-bale minimum would be fair. No one will contend a four-bale cotton farmer is a big farmer. There were in 1944 1,217,547 cotton farmers. It would take some three million of them to grow that amount of cotton which was grown in 1944—some 2½ times more cotton farmers this number would be than we have today.

Now what would this mean according to the latest figures we have? It would mean if all the cotton farmers who grew less than five bales in 1944 were given this four-bale minimum in the future, if all of them grew their four bales they would grow only 2,405,092 as compared with what they grew in 1944—to wit, 2,386,668—a difference of 19,624 bales. You recall I said a moment ago that the Department of Agriculture is very indefinite as to what a farmer will get. This changes that indefiniteness to certainty as to a minimum for returned veterans and others who pursued war activities and all farmers as for that matter, farmers found so to be by their own county agricultural committees.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. CHRISTOPHER. Is not the allotment based on the land and not on the man who owns it?

Mr. BECKWORTH. The allotment is based on the land, but I say to you that is a very poor standard to use and it is doubly unwise to use as the only standard. The gentleman is a farmer. You may give me 5 acres. You may give another man 5 acres. But the fertility of the soil is so different that there is no comparison. You do not eat acres; you eat what is produced by that acreage. You do not buy food and clothing with acreage, but you buy with what the acres produce.

I say that is one of the fundamentals which should be considered. The most important question is: How fertile are those acres? That has never been considered as it should have been, in my opinion.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, the sentiments expressed here by the distinguished gentleman from Texas have motivated his entire service in the Congress. That is, his interest in the family-size small farm. It gives me pleasure to tell him that there has never been a bill, such as that now before the House, which concerns itself so much with the welfare of the family-size farm.

I may also say there has never been a bill presented to the House that is as liberal in authorizing allowances for new farms and small farms. Under this bill, for example, the gentleman's home State of Texas could have a maximum of 1,500,000 acres for the sole purpose of new farms and small farms.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. BECKWORTH. How much of this is guaranteed to the kind of soldier boy that I just mentioned?

Mr. PACE. The soldier boy who has never produced any cotton?

Mr. BECKWORTH. I am talking about the soldier boy who, before he went into the war, was a cotton farmer altogether, but who, I will admit, has not since then produced any cotton.

Mr. PACE. If he went back home to the same farm, certainly he has a history on his farm and he would get an allotment.

Mr. BECKWORTH. Let us assume that there is no history on the farm.

Mr. PACE. If he has no history, then under the terms of this bill that question is left entirely to the State of Texas and the PMA committee of the county in which the veteran lives.

Mr. BECKWORTH. Percentagewise, what would the figure be?

Mr. PACE. We have not undertaken here to tell that veteran how much he gets. We do not tell him from Washington how much he gets. We have sent him home to deal with his own home people, and we have provided, I think, more than an adequate acreage to take care of him.

Mr. BECKWORTH. Is it not a fact that all that he would get you would have to take away from somebody else?

Mr. PACE. That is true of all quota laws. We have never found a way to give anything to one man without taking it away from another.

Mr. BECKWORTH. What if no equitable basis can be found by which you can take something away from somebody else?

Mr. PACE. Let me repeat: If the gentleman has a better system than to trust his own people to deal with their own soldiers, and that is the system set up in this bill, I wish the gentleman would tell us. We know of no better system.

Mr. BECKWORTH. The gentleman would not go so far as to say, though, that the local committee will not have to abide by the law regardless of how fair they would like to be?

Mr. PACE. I say that under this bill as much as 10 percent of the allotment made to the gentleman's great State, which will be at least 750,000 acres, and then as much as 10 percent of every allotment made to every county in his State, which would be another 750,000 acres, can be available to these veterans.

Mr. BECKWORTH. Irrespective of how far they desire to go, the would be bound by that law, and that would be as far as they could go.

Mr. PACE. If the gentleman would do us the kindness to read the bill—I rose to congratulate the gentleman for his interest in small farms, and to tell him that the committee had, so far as it could, recognized the sentiments expressed by the gentleman, and he will find it in the bill.

Mr. BECKWORTH. The gentleman deserves great commendation for that.

I have read the bill, I may say to the gentleman.

Mr. PACE. The gentleman must remember that when he proposes to give a soldier an acreage allotment, a soldier who has never grown cotton, he must take it away from some other soldier who is growing cotton.

Mr. BECKWORTH. The gentleman does not want to misrepresent what I said. I said the soldier who grew cotton altogether as his pursuit and avocation before he went into the service. The gentleman would not call him a new farmer, would he?

Mr. PACE. I would say this to the gentleman, that I should think the gentleman would want to trust his own people in his own home county rather than somebody here in Washington.

Mr. BECKWORTH. I do, but I would make this further statement, that his own people and his own county committee can go no further than the law will permit them to go. Is that an accurate statement?

Mr. PACE. I say——

Mr. BECKWORTH. Is that an accurate statement?

Mr. PACE. Let me put it this way: May I repeat that in each State as much as 10 percent of the State allotment, and then in your home county as much as 10 percent of the county allotment, is authorized for these purposes; whereas, under existing law, not more than 2 percent was set aside. Very little could be done under the old law. Everything can be done under this bill.

Mr. BECKWORTH. Up to a given point.

Mr. PACE. Up to 20 percent of the allotment made to his State. If that does not satisfy the gentleman, I do not know what you are going to do with all of the other cotton growers in Texas. We certainly have some responsibility to them.

Mr. BECKWORTH. We do have.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Speaker, I asked for this time primarily to speak to the point raised by the gentleman from Texas [Mr. BECKWORTH].

To some extent the gentleman from Georgia [Mr. PACE] has answer the questions that were in my mind. I certainly want to endorse what the gentleman from Georgia [Mr. PACE] said in tribute to the gentleman from Texas [Mr. BECKWORTH] because the little farmer needs help and he has had an able advocate in the gentleman from Texas.

I believe, however, that in America there is room enough for the big cotton farmer and the little cotton farmer, and that they must live together and fight together in the cotton economy that is going through such pronounced changes. I do not believe we can make some of our grave decisions wisely by basing them on a preference for the family-size farmer or the big operator. The goal that we must constantly keep in mind is the production of cotton under operations that make for efficiency; low-cost production cotton that leaves the markets preserved for us.

Some terrible things have been happening to the little farmers and catastrophe lies ahead if we allow the cotton situation to drift. If you live in that part of the cotton country where you cannot mechanize, where cotton must be grown at heavy expense, you will understand what I mean. So if we are right in conceding something to the economic factors, which I am speaking of, so we can meet competition of synthetics and low-cost production in foreign markets, if that is the correct, ultimate goal, then one concern we have in the transition is to see that in the process of reaching that goal we do not destroy the little farmer, the ones who cannot mechanize; who must, in other words, produce cotton at high cost.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. PACE. I would be interested to know what the gentleman considers a little farmer. A man has a 300-acre farm. He has 10 families as sharecroppers. Does the gentleman think we have to take care of the sharecroppers as well as some independent operator?

Mr. HAYS of Arkansas. Yes; indeed I do.

Mr. PACE. That is all written into this bill.

Mr. HAYS of Arkansas. I will be glad for the gentleman to have more of my time because I am anxious to know what his committee has produced.

The gentleman knows of the interest I have taken in the farmers who were squeezed out of our economy in the depression; those who had to have help from the Farm Security Administration. We helped almost a million of them. Nine hundred thousand farmers received rehabilitation loans.

In spite of my enthusiasm for the social goals that the gentleman from Texas [Mr. BECKWORTH] spoke of, the family-size farm and the preservation of small farmers, I realize that we cannot reach them at the expense of sound economic policy. We must develop a situation that permits the producer to stay in cotton up to his neck if he can produce cotton cheaply, and only the big or moderate-sized operators can do it. So what I want to do is to cooperate in this policy that I know the Committee on Agriculture is trying to work out, but to ask them to listen sympathetically that in this transition there must be some support for the little man, that he be permitted to grow a reasonable minimum and to get into other types of farming.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. SIKES. We are concerned about the little man who is starting to grow cotton for the first time. Particular attention has been called to the veteran who goes out to begin farming but who does not have a cotton quota. We have a growing population. Why in a growing country like this, a nation that is expanding, can there not be a quota set up to take care of pepole like that?

Mr. HAYS of Arkansas. If the cotton market were expanding I could answer "Yes"; and I would be happy to answer "Yes." But the cotton market is not expanding. We have a carry-over of 5,000,000 bales from 1948. While the rest of the economy may be expanding and there may be greater markets available for other agricultural products, the cotton market is not expanding. It is because of this particular fact that we must attend to both the social and economic factors of cotton farming.

Mr. SIKES. Does the gentleman say that from this time henceforth no new farmer can go into the production of cotton?

Mr. HAYS of Arkansas. No; we must work to find new uses for cotton, new markets for cotton, but we must avoid encouraging new production. Our aim is to work toward a situation of high yields and low costs so the farmers may produce all the cotton they can; that is the objective we must have; otherwise we will either bankrupt the United States Treasury by artificially supporting a high price or if no supports destroy hundreds of thousands of little producers, and I am concerned about them.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. LYLE. Mr. Speaker, I believe all my time has expired. I therefore move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5738) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5738, establishing cotton-acreage allotments and marketing quotas, with Mr. HOLIFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 30 minutes, and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] for 30 minutes.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. COOLEY. Mr. Chairman, this is an important bill and it seeks to deal with a very important problem which vitally affects the welfare of a large segment of our population. The bill before you is very technical and it might be difficult to understand, but all of its provisions have been well considered.

When this Congress met in January, actually before I was elected chairman of the House Committee on Agriculture, I appointed a Special Cotton Subcommittee and designated the gentleman from Georgia [Mr. PACE] as chairman of that subcommittee. Frankly, I doubt if any committee in the history of this

Congress has woked more faithfully or more diligently than has this cotton subcommittee. Hearings were extensive and continued for weeks and months and just about everybody from everywhere was accorded an opportunity to appear and to bc heard fully concerning the problems which were receiving the attention of the committee. Not only were extended hearings conducted here in Washington, but during the Eightieth Congress hearings were held by our committee in all of the major agricultural areas in the country. During the course of the hearings here a special invitation was extended to every Member of Congress representing a district in which cotton is grown to come before the committee for the purpose of presenting views concerning the problems facing the cotton farmers of the Nation.

A special day was set apart and Members of Congress were urged to attend. Now we bring before the committee a bill that was unanimously reported by the subcommittee and unanimously approved by the full committee, a bill that is highly technical and difficult to understand.

Mr. Chairman, in a moment I shall yield my entire time to the gentleman from Georgia [Mr. PACE], who has been responsible for directing the efforts of the subcommittee in the writing of this bill. It seems to me that the membership of the House should be willing to accept the work and the labor of our committee in presenting this bill as we have presented it today. To talk about the little grower and about protecting and providing for the little fellow, to talk about the new grower, as the matter has been discussed here, seems to me to indicate a lack of understanding of the measure that has been presented.

This bill makes rather liberal provision for both little growers and new growers, and I hope that none of the provisions of this bill will be disturbed. Apparently the bill meets the general approval of those who are most familiar with the problems with which it deals. I, therefore, urge the Members of this House to give careful attention to the gentleman from Georgia [Mr. PACE] as he discusses the many provisions and explains the several sections of this important measure.

Mr. Chairman, I yield my entire time to the gentleman from Georgia [Mr. PACE], the chairman of the Cotton Subcommittee.

Mr. PACE. Mr. Chairman, after a few brief general remarks I shall attempt to run through the bill and give you as best I can an analysis of it. Of course, this is not a new subject. We now have on the books, enacted in 1938, a marketing quota law for cotton. This bill simply amends that law and brings it up to date.

The need for amendment is principally due to two conditions. First, under the law as it is today, the Secretary could not allocate less than 27,500,000 acres to cotton when we have not planted that much cotton acreage in the country for the last 10 or 12 years. Therefore, it is necessary to give the Secretary some greater latitude than he has. For example, last year we planted but 23,000,000 acres, in 1947 21,000,000 acres, in 1946 18,000,000 acres, and in 1945 a little over 17,000,000 acres. So it would be rather fantastic to require the Secretary to allocate 27,500,000 acres.

The other need for amendment is to recognize developments during the last 10 years as to trends in the production of cotton. This has been particularly significant in the western area of the United States, where there has been a marked increase in the production of cotton, while in other sections there has been some decrease in its production. This legislation is necessary, taking into account this trend.

It is recognized that we will have marketing quotas on cotton next year. Of course, we all regret it, but we do recognize the necessity.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlcman yield?

Mr. PACE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman states it is recognized that we will have marketing quotas. Now, as I understand it, the farmers must vote in favor of marketing quotas before they are put into operation; is that correct?

Mr. PACE. Of course. Speaking more exactly, I should say that the Secretary of Agriculture will on or before November 15 proclaim marketing quotas for cotton next year and they will go into effect if approved by two-thirds of the cotton producers.

On Monday of this week, the beginning of the new marketing year, we had on hand in this country 5,250,000 bales of cotton. We have in the field a crop in excess of 26,000,000 acres. The estimate as to production this year will not be available until next Monday, August 8, but it is anticipated that the production will be somewhere between 13,000,000 and 15,000,000 bales, which will probably give us a total supply of somewhere between 18,000,000 and 21,000,000 bales.

You have no doubt observed in the paper that on Monday the Government took over for the benefit of the producers better than 3,500,000 bales of cotton, that is, cotton on loan. The loans matured, and under the law it is taken over by the Commodity Credit Corporation. That is one of the reasons that this bill is here.

The Members of the Congress representing cotton producing areas, and the producers themselves, realize that thcy cannot over a great period of time expect our Government to give them a fair support price and go to any enormous losses. Let me say this, and I think this needs to be understood by everyone, that you have now in matters of this kind a choice of three steps; that is, you can provide no support price for cotton or any other agricultural commodity. I am convinced that if under existing conditions that situation should be brought about, it would mean bankruptcy for agriculture in this country. Then you have on the other extreme, support prices with no provision for limiting production, that is just let the producer grow without limit. That extreme I think would mean bankruptcy for the United States Treasury. On the one hand no support will bankrupt the farmer; on the other hand support, with no limit on production, would bankrupt the Government. Therefore, I think it is the unanimous view of the House Committee on Agriculture, no doubt of the Senate Committee on Agriculture and the overwhelming majority of the Members of the House, that the middle ground is the only safe ground; that is, provide a reasonable support price to protect those who produce the food and fiber, with adequate provision for keeping production within reasonable limits according to the demand. That is the course this committee has followed; that is the course followed in this bill.

Now, very briefly I want to refer to the fact that cotton does have its problems. I want to say, Mr. Chairman, that cotton has problems that are worthy of the sympathetic consideration of every Member of the Congress. Whether you live in the cotton-producing area does not matter, because cotton is too important to the economic welfare of the entire Nation for anyone to be unmindful of its problems.

For example, I am not surc that it is understood by everyone that there are more people in the United States dependent upon cotton than any other agricultural commodity. By that I mean the families on the 1,500,000 cotton farms, people who work on those farms; the people who operate the gins to gin that cotton; the people who work in the warehouses to warehouse that cotton; the people who work on the railroads and trucks to transport that cotton; the cotton buyers and the cotton brokers who deal in cotton; the hundreds of thousands who work in the textile mills to process that cotton; the hundreds and hundreds of thousands who work in the retail establishments in the sale of cotton goods. Taking it all in all, there are more people in the United States dependent upon cotton and its products than any other commodity produced in the United States. That gives you some comprehension of the necessity for the sympathetic consideration of the city man, the country man, those in the North, the South, the East, and the West.

Mr. Chairman, I shall now hurriedly run through the bill and try to finish it in time to answer any questions that are propounded.

The bill provides that the Secretary shall proclaim marketing quotas whenever the supply of cotton is above normal. Therefore, the first thing you need to know is what is a normal supply of cotton. The normal supply of cotton is the consumption in the United States, the exports, plus 30 percent.

Mr. COOLEY. If the gentleman will yield, I would like to interrupt to call the attention of the Members to the summary which was published by the committee, and I will try to make available some of them so that they may be able to follow the gentleman in his discussion.

Mr. PACE. I do not think they can follow it that fast, but I thank the gentleman.

For example, it is estimated that the coming crop year, which began last Mon-

day, the domestic consumption of cotton in the United States will be 8,000,000 bales, that the exports will be 4,000,000 bales, so your normal supply in that case would be 8,000,000, plus 4,000,000 for export, plus 30 percent. 30 percent of 12,000,000 is 3,600,000. Therefore, the normal supply in that case would be 15,600,000 bales. The law provides in such case that whenever the supply exceeds that figure the Secretary shall proclaim quotas.

Then the bill says that when the Secretary fixes a quota he shall fix a quantity of cotton for the next year to bring about not more than a normal supply of cotton at the beginning of the next year. However, in our deliberations we decided there should be some limitation put on how low the Secretary could go in fixing quotas. The bill therefore provides that the Secretary cannot go lower than the acreage necessary to produce 10,000,000 bales, or lower than the acreage necessary to produce the consumption and exports of the previous year less 1,000,000 bales. This means that if the consumption and exports should drop down to 10,000,000 bales, then the next year the Secretary could not fix the quota as low as 9,000,000 bales; that is, the acreage necessary to produce that amount of cotton.

The bill provides, however, that next year the Secretary shall not allot less than 21,000,000 acres. That is done for this reason. Under strict application of the minimum quota of 10,000,000 bales, the average production in the last 5 years being 268 pounds per acre, 10,000,000 bales would require only about 17,889,000 acres. We feel that with 23,000,000 acres in cotton last year, and with over 26,000,000 acres in cotton this year, it would be too much of a shock to the cotton economy, too much of a shock to the cotton areas, to drop it drastically to below 18,000,000 acres in 1 year. Therefore, for next year the Secretary cannot go lower than 21,000,000 acres.

As the gentleman from Minnesota so well observed, of course, after he proclaims quotas it is up to the farmers to determine whether or not they want quotas. The act provides that they shall vote, and if two-thirds of them approve marketing quotas they shall go into effect.

If more than one-third disapprove, they shall not go into effect. Let me say in passing at this point, although I may refer to it later, if the farmers disapprove quotas, then they will not enjoy any support price at all.

The next question is that of allotting these 21,000,000 acres next year—we will use that as an example. That is, the allotments to the State, counties, and farms. There is language in the bill which seeks to take care of these trends and war crops in the last few years. There is in the bill what is known as the Memphis agreement, or the Western plan. Instead of writing into the bill the word "trends", when nobody can know what weight the Secretary would give to trends, we have sought in this bill to set up a special formula of how much acreage shall be allocated for the years 1950, 1951, and 1952. I am not going to try to go into details, because generally the result is that it gives special weight to increased plantings in the western areas during the last 2 years and also gives credit for war crops under Public Law 12. After that period then the allocation to the States is made on the basis of the acreage planted or regarded as planted in cotton for the preceding 5 years. After the years 1950, 1951, and 1952, the allocation to each State is made on that basis. That is to say, if your average acreage planted and regarded as planted in 5 years was so much and the national acreage was so much, then you get your percentage of the national average. The bill provides, as I mentioned a while ago in the discussion with the gentleman from Texas [Mr. BECKWORTH], that the State committee may reserve 10 percent of the State acreage allotment to adjust county allotments in counties adversely affected by abnormal conditions affecting plantings, for small farms and for new farms.

That thought was born, if I may put it that way, in the State of Texas. In 1946 we made a trip across the South holding hearings on cotton. In the State of Texas it was brought to our attention that there had been an enormous shift in the production of cotton in that area: That the high plains had actively gone into the production of cotton, and that they needed more. There was a western area that had gone into cotton; there was a southern area which had gone into cotton, and at the same time there were some areas in Texas that had practically gone out of cotton. The suggestion came to us from the chairman of the State PMA Committee of Texas, who said to me, as I rode in a car with him across the plains of Texas: "Mr. PACE, if you can find some way to give us some reserve acreage that our State committee can take and move around to take care of these situations, then our problems can be handled."

That is the way this idea of the 10 percent State reserve was born. It has been approved by the committee. Ths special reserve can be held by the State committee. It is designed to meet the situations where there are abnormal conditions affecting plantings, to take care of increases in the acreage for small farms and taking care of allotments for new farms.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield for a question?

Mr. PACE. I yield briefly to the gentleman.

Mr. BECKWORTH. The gentleman mentioned the State director in Texas.

Mr. PACE. Yes; I did.

Mr. BECKWORTH. He wrote me a letter the first of this year from which I would like to read one sentence, because it is on the very point about which the gentleman is talking. He says:

> I am enclosing some suggestions of the Texas State PMA Committee: "We feel it very important that the present legislation be amended in order that the allotments will not be placed on farms where cotton is not being grown at the present time."

Mr. PACE. That is exactly right. That is exactly the reason that this provision is in the bill now.

Mr. BECKWORTH. That includes many veterans who went off to war.

Mr. PACE. That is right.

Mr. BECKWORTH. It includes many veterans who went off to war who were actual cotton farmers, and cannot go back to that.

Mr. PACE. It authorizes the State and county committees to consider their cases. I tried to tell the gentleman that a while ago. This State reserve may be used for any one or for all three of the purposes stated.

Then comes the question of allotments to the counties. After the State gets its allotment for the first 3 years—1950, 1951, and 1952—it is distributed to the counties on the basis of 4-year plantings, in order to take care of this western situation, and after that it is on the basis of 5-year plantings.

Now comes the question of the allotment to the individual farmers. The bill provides that you shall first allocate to the farms—to all farms, if you please—the smaller of the highest planted during the last 3 years or 5 acres. That is to say, if there is a farmer who has not been producing over 5 acres of cotton, he gets every bit of it. He is not cut one single inch. If he has been planting more than 5 acres, he gets 5 acres to start with. Then the bill provides that all the balance of the acreage in the county shall be allocated on the basis of a percentage of tilled soil. The method of determining the acreage of tilled land is set forth in the bill. After they have taken care of the small farms, he gets a percentage of what is left. Provided that nowhere in this bill, under general terms, can there be allocated to a farm more cotton than has been planted on the farm in the last 3 years. The only way he can get more is through this 10-percent reserve to the State and 10-percent reserve to the county. Through that he may get more cotton acreage than he has planted in the past 3 years.

I want to say, particularly to the gentleman from Texas [Mr. BECKWORTH] and the gentleman from Arkansas [Mr. HAYS], this bill provides that when there has been a reserve set up by the county committee, whatever it is, at least 30 percent of it must be used in increasing the acreage to farms with allotments of not exceeding 15 acres.

I said a while ago to the gentleman from Texas [Mr. BECKWORTH] that there never has been a bill brought to the Congress giving more consideration to the small operator than does this bill. We have gone just as far as we can go, be-

cause every man who has been growing cotton, big or little, has some rights that must be protected. We decided that the best way was to send it down home and let the folks work it out there.

Now the bill provides that all cotton grown in 1949 is out, and shall not be taken into account. That is, the amount planted in 1949 should not be taken into account. You will recall we passed a special act at the beginning of this session to outlaw the cotton acreage of 1949. This bill continues that. The bill provides that the Secretary can set up an administrative area in any county to take care of hardship cases. That is to say, if you have half a county with cotton farms and the other half has none, the Secretary can divide the county into two areas. That is to prevent hardships and keep from taking it from people who have always grown cotton and giving it to people who do not want it.

Mr. WHITTINGTON. That will be done by the State committee in connection with the county committee? The gentleman said the Secretary would do that.

Mr. PACE. That is right. I thank the gentleman for the correction.

The bill provides further that a man may underplant as much as 10 percent and still keep his full allotment. Many farmers do not want to overplant. At times they want to plant all the cotton they can and plant right up to their allotment, and then sometimes find they have overplanted. So we provide that if a man plants up to 90 percent of his allotment, he shall be credited in future years as if he had planted 100 percent.

There is a special provision in which the gentleman from Arkansas [Mr. GATHINGS] was very deeply interested and contributed very much in working out. The gentleman from Mississippi [Mr. ABERNETHY], and other Members also were greatly interested in this provision. It provides protection for that cotton farm acquired by the United States or a State. It provides two things: that if the farm was so acquired, as an airfield or any other war facility, and it comes back into agricultural production, that there shall be set up on that land a cotton acreage allotment, because it is an old cotton farm.

Then, secondly, it is provided that if a cotton farm was heretofore or is hereafter so acquired and the owner wishes to continue in the production of cotton and secures another farm in the same State, he may secure for his new farm a cotton-acreage allotment comparable with the other farms in the area where he purchased.

Those two things that are helpful. They came out of our unfortunate experience in the peanut acreage allotment, where there is no comparable provision, and such farms received no acreage allotment at all.

I think everyone should understand the next provision: that the farmer who fails to cooperate and who overplants will not, in subsequent years, get any credit for his overplanting. If you allocate a man 50 acres and he plants a hundred, the next year and subsequent years, for purposes of allotment, he is treated as if he had just planted his allotment, 50 acres. I am sure you can realize the need for that.

The bill provides for the first time that all records having to do with agricultural allotments are open for inspection, and any cotton farmer in the United States can go to the county committee's office and not only check his own record but that of his neighbors in order to see that the county committee is doing a good job across the board.

There is a provision in the bill which sets out the method under which Public Law 12, Seventy-ninth Congress, the War Crop Act, shall be administered. It has been a matter of some controversy but the committee has finally agreed upon a method, and the rules and regulations as set out in the bill are fully explained in the committee report.

Many Members have asked—and please watch this very closely—how much cotton can a farmer sell free of penalty. A farmer can sell either the actual or the normal production of his alloted acreage. I will explain that further: He may sell without penalty either the actual or the normal; that means that a farmer who is allotted 10 acres but plants 15, does not have a good yield on the 15, but a yield that is not more than the normal yield on 10 acres can sell it all free of penalty; or if he stays within his 10 acres and he produces a heavy crop he can sell all he produces on his allotted acreage regardless of how many bales it is. I hope that is plain.

The bill provides that if you grow excess cotton, cotton in excess of the normal yield of your allotted acreage, you have to pay a penalty on the excess of 50 percent of the parity price. Parity price on cotton now is about 30 cents. Therefore if in this next year a farmer produces excess cotton, more than the actual or normal production on the allotted acreage, he will be required to pay a penalty of 15 cents a pound in order to sell it. Now, there is a way he can avoid that: He can put that cotton in storage and hold it there for a year or longer. Suppose the next year he has a poor crop; he can take out of storage enough cotton to make up the normal yield of the acreage allotted to him. Or another way he can use his stored cotton is to reduce the number of acres he plants under his allotment and pull cotton out of storage to make up the difference between what he grows and the normal production on his full allotment and sell it free of penalty. That is a new section.

There is a section in the bill dealing with long staple cotton, and there are definitions of "carry-over" and other terms.

One other thing I want to mention is a new provision in the bill, for which the gentleman from Mississippi [Mr. ABERNETHY], is largely responsible, setting up the method by which a farmer before he plants can get his land measured, and if he does so and plants on that measured acreage he can sell free of penalty all he produces on that acreage. Or if his land is measured after he plants and the acreage is claimed by the committee to be over, he can have it remeasured and if it proves to be within his allotment instead of being over, then the remeasurement does not cost him anything; but if the remeasurement shows that it is over, then he has to pay for the remeasurement.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. PACE. Mr. Chairman, we now come to two sections which do not relate to cotton.

These recognize trends in wheat and peanut acreage. The gentleman from Colorado [Mr. HILL] will no doubt take occasion to explain the wheat part of it. This takes care for 1950 of the rapid increase in the production of wheat in certain areas during the last 2 or 3 years. The same situation exists with reference to peanuts. There is a provision that no State can hereafter be cut below 60 percent of its 1948 peanut acreage. That is also taking account of trends.

In other words, we have tried to recognize and protect to some extent the producers where there has been an expanding acreage in either cotton, wheat, or peanuts during the last few years. The provisions are all comparable, and that is one of the fundamental objects of the bill.

Now I will be glad to answer any questions.

Mr. HAYS of Arkansas. I want to ask about the 21,000,000 acreage limitation. We have produced a carry-over with the 23,000,000 acres. The Department of Agriculture recommended a limitation of 20,000,000 acres.

Mr. PACE. No. The Department of Agriculture did not recommend any minimum. They wanted it to be left with the Secretary, but the committee could not go along with that.

Mr. HAYS of Arkansas. They asked for a limitation and to provide that it be not more than 20,000,000 acres.

Mr. PACE. I have no recollection of that. They did not compromise their position. I think the cotton farmers were entitled to a minimum.

Mr. HAYS of Arkansas. I was going to ask the gentleman to defend that figure if he could. I realize he does not have time to go into it fully. That is one thing in the report that caused me some concern because I know the gentleman agrees with me that we cannot get into a sound situation without some inconvenience both to the little man and to the big man.

Mr. PACE. The gentleman understands this bill is full of compromises. It is a compromise of 19 States as he understands.

Mr. HAYS of Arkansas. I do.

Mr. PACE. Frankly, this 21,000,000-acre minimum is justified and I am going down the line for it because you must take into account the economy of the various sections of the country. The 21,000,000 acres, in my judgment, is not too much, because only about 19,000,000 acres will likely be planted. You are going to give a lot of people cotton acreage who do not want it. Heretofore, take back in 1941 and 1942, there were always about 4,000,000 acres underplanted. I think the 21,000,000 acres is all right.

Mr. Chairman, under the permission granted me I include the following tables relating to the allotment, planting, harvesting, supply, consumption, price, export, carry-over, yields, and other information on cotton during the past several years:

Average national yield of cotton per planted acre and estimated national acreage required to produce 10,000,000 bales

AVERAGE UNITED STATES YIELD OF COTTON PER PLANTED ACRE

Year:	Pounds
1944	293.8
1945	246.4
1946	227.8
1947	264.5
1948	308.5
5-year average	268.2

NOTE.—The planted acreage necessary to produce 10,000,000 bales of 479.8 pounds each, based on the 1944–48 average planted yield per acre (268.2 pounds), would be approximately 17,889,000 acres.

Prepared in Cotton Branch, PMA, USDA, August 2, 1949.

Cotton: Average yield per planted acre of all cotton in the United States, by States, 1939–48

[Pounds per planted acre]

Year	Alabama	Florida	Georgia	North Carolina	South Carolina	Virginia	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Oklahoma	Texas	Arizona	California	New Mexico	All other States	United States
1939	182	70	225	294	342	188	313	315	291	552	297	138	157	512	645	512	463	233.5
1940	188	149	249	425	374	364	342	188	231	451	339	207	180	423	747	568	391	248.0
1941	215	131	163	329	162	374	336	143	284	546	421	201	161	344	549	420	596	227.2
1942	260	135	238	407	293	395	357	281	393	472	419	185	177	339	540	402	453	268.3
1943	283	178	251	336	291	345	285	360	351	376	326	119	171	308	563	462	394	250.6
1944	346	211	290	445	388	445	372	335	393	481	406	199	179	450	517	483	422	293.8
1945	322	203	255	362	332	397	322	227	327	321	369	116	143	363	531	432	248	246.4
1946	256	144	220	366	347	404	355	142	214	461	399	117	128	521	611	569	362	227.8
1947	297	213	244	331	295	369	293	289	316	338	354	137	197	495	690	543	336	264.5
1948	351	278	278	444	371	447	422	379	437	453	416	168	172	556	572	527	424	308.5

Source: Bureau of Agricultural Economics, USDA.
Prepared in the Cotton Branch, PMA, Aug. 2, 1949.

Cotton: Production of cotton in the United States, by States, 1939–48

[Thousands of 500-pound gross weight bales]

Year	Alabama	Florida	Georgia	North Carolina	South Carolina	Virginia	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Oklahoma	Texas	Arizona	California	New Mexico	All other States [1]	United States
1939	785	11	915	457	871	13	1,413	745	1,582	437	449	526	2,846	202	443	102	20	11,817
1940	779	21	1,010	739	966	25	1,501	456	1,250	388	509	802	3,234	195	545	128	18	12,566
1941	790	17	624	552	406	28	1,430	313	1,424	476	598	718	2,652	181	404	106	25	10,744
1942	925	16	855	727	699	34	1,485	593	1,968	417	625	708	3,038	193	402	111	21	12,817
1943	959	16	847	596	696	24	1,122	739	1,841	295	491	384	2,823	131	341	108	14	11,427
1944	1,006	13	810	710	864	29	1,394	620	1,937	411	562	634	2,646	136	327	116	15	12,230
1945	931	8	669	428	664	16	1,042	387	1,560	180	466	285	1,794	117	353	106	9	9,015
1946	822	6	557	440	697	17	1,[illegible]	247	1,047	307	520	262	1,669	158	458	142	10	8,640
1947	931	11	651	452	651	18	1,[illegible]	505	1,569	311	520	330	3,437	234	772	179	10	11,857
1948	1,197	15	745	678	871	24	1,982	756	2,353	506	670	374	3,150	328	968	236	15	14,868

[1] Includes Illinois, Kansas, and Kentucky.

Source: Bureau of Agricultural Economics, USDA.
Prepared in the Cotton Branch, PMA, Aug. 2, 1949.

Supply and distribution of cotton in the United States

[Thousands of bales]

Year	Supply			Distribution			Year	Supply			Distribution		
	Production, running bales [1]	Carry-over from previous year	Imports equivalent 500-pound bales [2]	Exports, running bales [1]	Consumption, running bales [1]	Stocks on hand at end of year		Production, running bales [1]	Carry-over from previous year	Imports equivalent 500-pound bales [2]	Exports, running bales [1]	Consumption, running bales [1]	Stocks on hand at end of year
1915–16	11,068	3,936	421	5,896	6,398	3,140	1933–34	12,664	8,165	141	7,534	5,700	7,744
1916–17	11,364	3,140	288	5,300	6,789	2,720	1934–35	9,472	7,744	106	4,799	5,361	7,208
1917–18	11,248	2,720	217	4,288	6,566	3,450	1935–36	10,420	7,208	152	5,973	6,351	5,409
1918–19	11,906	3,450	197	5,592	5,766	4,287	1936–37	12,141	5,409	249	5,433	7,950	4,499
1919–20	11,326	4,287	683	6,545	6,420	3,563	1937–38	18,252	4,499	158	5,595	5,748	11,533
1920–21	13,271	3,563	211	5,745	4,893	6,534	1938–39	11,623	11,533	132	3,325	6,858	13,033
1921–22	7,978	6,534	352	6,184	5,910	2,832	1939–40	11,481	13,033	159	6,191	7,784	10,564
1922–23	9,729	2,832	450	4,823	6,666	2,325	1940–41	12,298	10,564	188	1,112	9,722	12,166
1923–24	10,171	2,325	272	5,656	5,681	1,556	1941–42	10,495	12,166	267	1,125	11,170	10,640
1924–25	13,639	1,556	303	8,005	6,193	1,610	1942–43	12,438	10,640	170	1,480	11,100	10,657
1925–26	16,123	1,610	314	8,051	6,456	3,543	1943–44	11,129	10,657	139	1,138	9,943	10,744
1926–27	17,755	3,543	382	10,927	7,190	3,762	1944–45	11,839	10,744	190	2,007	9,568	11,104
1927–28	12,783	3,762	321	7,542	6,834	2,536	1945–46	8,813	11,164	343	3,613	9,163	7,326
1928–29	14,297	2,536	442	8,044	7,091	2,312	1946–47	8,517	7,326	270	3,544	10,025	2,530
1929–30	14,548	2,312	368	6,690	6,106	4,530	1947–48	11,557	2,530	244	1,968	9,354	3,082
1930–31	13,756	4,530	99	6,760	5,263	6,370	1948–49	14,626	3,082	[3] 175	[3] 4,700	[3] 7,800	[3] 5,250
1931–32	16,629	6,370	107	8,708	4,866	9,678	1949–50	----------	[3] 5,259	----------	----------	[3] 8,000	----------
1932–33	12,710	9,678	124	8,419	6,137	8,165							

[1] Round bales counted as half bales.
[2] Less re-exports.
[3] Estimated.

Source: Department of Agriculture, Production and Marketing Administration, Cotton Branch, Aug. 2, 1949.

Average mid-month prices received by farmers per pound for cotton in the United States, 1929–49 [1]

Year beginning Aug. 1:	Average farm price, cents
1929	16.8
1930	9.5
1931	5.7
1932	6.5
1933	10.2
1934	12.4
1935	11.1
1936	12.4
1937	8.4
1938	8.6
1939	9.1
1940	9.9
1941	17.0
1942	19.0
1943	19.9
1944	20.7
1945	22.5
1946	32.6
1947	31.9
1948	[2] 30.0

[1] Annual averages are crop-year average prices by States, weighted by sales, including an allowance for unredeemed loans at estimated average loan value.

[2] Average for 1948 is the unweighted average of United States farm prices for 11 months, August–June, with no allowance for unredeemed loan cotton.

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture.

Prepared in Cotton Branch, PMA, Aug. 2, 1949.

Cotton: Acreage of all cotton in cultivation in the United States July 1, 1928–48

[Thousands of acres]

Year	Alabama	Florida	Georgia	North Carolina	South Carolina	Virginia	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Oklahoma	Texas	Arizona	California	New Mexico	Illinois	Kansas	Kentucky	United States
1928	3,532	121	3,375	1,648	2,136	79	3,425	1,873	3,954	360	1,071	4,174	17,409	206	223	128	1.8	1.7	19.8	43,737
1929	3,599	124	3,434	1,665	2,025	89	3,508	1,954	4,098	360	1,055	4,263	17,578	221	319	135	1.6	2.7	17.0	44,448
1930	3,596	150	3,464	1,460	1,967	92	3,577	1,983	4,163	391	1,152	4,009	16,689	210	273	133	1.5	2.6	16.4	43,329
1931	3,294	142	3,113	1,213	1,768	71	3,325	1,834	4,030	365	1,054	3,403	14,979	188	194	119	1.6	2.1	14.8	39,110
1932	3,059	105	2,702	1,261	1,678	71	3,436	1,702	3,846	418	1,080	3,171	13,592	114	124	114	2.1	.8	17.7	36,494
1933	3,150	119	2,870	1,302	1,811	75	3,501	1,767	3,791	468	1,151	4,078	15,623	161	223	129	3.8	1.4	23.4	40,248
1934	2,144	93	2,164	980	1,299	58	2,195	1,201	2,556	319	763	2,909	10,685	136	225	100	6.1	2.4	23.6	27,860
1935	2,252	91	2,172	939	1,369	53	2,178	1,278	2,762	325	757	2,427	10,964	160	220	94	3.6	1.0	17.9	28,063
1936	2,335	90	2,299	973	1,416	54	2,520	1,409	3,010	414	805	2,501	12,080	208	370	118	3.6	.9	20.5	30,627
1937	2,705	120	2,674	1,111	1,705	67	2,816	1,575	3,449	569	943	2,471	12,769	299	624	162	5.1	.9	24.4	34,090
1938	2,079	82	2,064	884	1,263	42	2,165	1,140	2,622	362	742	1,733	9,163	203	356	97	4.2	.5	16.3	25,018
1939	2,100	74	1,989	754	1,248	33	2,187	1,154	2,662	380	733	1,855	8,874	189	334	96	4.2	.4	16.0	24,683
1940	2,037	68	1,981	841	1,268	33	2,161	1,199	2,658	414	729	1,900	8,873	221	356	110	5.1	.5	16.4	24,871
1941	1,791	63	1,866	812	1,235	36	2,086	1,071	2,458	419	690	1,731	8,119	255	356	122	5.2	.5	14.8	23,130
1942	1,722	59	1,735	861	1,153	41	2,021	1,028	2,438	426	725	1,872	8,430	274	361	134	6.2	.5	15.7	23,302
1943	1,627	42	1,618	850	1,148	34	1,888	987	2,515	375	723	1,554	7,915	204	291	112	3.2	.2	13.7	21,900
1944	1,397	30	1,343	765	1,069	31	1,801	891	2,365	410	665	1,529	7,114	145	303	115	3.9	.3	13.1	19,990
1945	1,390	20	1,260	566	960	19	1,554	819	2,286	268	605	1,179	6,029	154	319	117	3.9	.3	13.2	17,562
1946	1,545	20	1,217	576	963	20	1,729	833	2,349	318	625	1,074	6,283	145	359	120	3.7	.1	10.0	18,190
1947	1,505	24	1,278	654	1,055	23	2,085	838	2,379	440	704	1,155	8,426	226	536	157	3.9	.2	10.8	21,500
1948 [1]	1,627	27	1,313	725	1,133	24	2,371	940	2,560	534	753	1,074	8,974	275	810	215	4.0	(2)	13.0	23,372

[1] Preliminary.
[2] Not available.

Source: Crop Reporting Board, Bureau of Agricultural Economics, USDA.
Prepared in Cotton Branch.

Cotton: Acreage of all cotton harvested in the United States, by States, 1939–48

[Thousands of acres]

Year	Alabama	Florida	Georgia	North Carolina	South Carolina	Virginia	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Oklahoma	Texas	Arizona	California	New Mexico	All other States [1]	United States
1939	2,020	68	1,929	737	1,218	32	2,125	1,120	2,540	377	707	1,784	8,520	188	327	93	20	23,805
1940	1,961	65	1,935	829	1,234	32	2,061	1,130	2,500	408	715	1,822	8,472	220	348	107	22	23,861
1941	1,746	61	1,817	795	1,174	35	2,010	1,014	2,374	415	680	1,659	7,717	251	351	117	20	22,236
1942	1,702	56	1,714	846	1,139	40	1,970	1,001	2,392	420	715	1,785	8,044	271	355	130	22	22,602
1943	1,620	40	1,610	846	1,145	33	1,850	982	2,500	366	720	1,500	7,780	202	289	110	17	21,610
1944	1,393	29	1,335	750	1,060	30	1,774	884	2,325	405	660	1,480	6,950	144	301	114	17	19,651
1945	1,379	20	1,250	555	954	19	1,500	804	2,240	260	590	1,085	5,800	154	317	116	16	17,059
1946	1,530	20	1,210	570	960	20	1,700	800	2,220	310	620	1,020	6,000	145	358	119	13	17,615
1947	1,500	24	1,270	647	1,050	23	2,050	830	2,350	431	700	1,120	8,350	225	534	151	14	21,269
1948	1,630	25	1,280	725	1,120	26	2,220	950	2,560	526	770	1,025	8,600	281	804	209	17	22,768

[1] Includes Illinois, Kansas, and Kentucky.

Source: Bureau of Agricultural Economics, USDA.
Prepared in the Cotton Branch, PMA, Aug. 2, 1949.

Percentage of cotton acreage allotments by respective size groups, by States and the United States in 1941

State and region	Size of allotment group in acres															Total
	0.1 to 3	3.1 to 5	5.1 to 10	10.1 to 15	15.1 to 20	20.1 to 30	30.1 to 40	40.1 to 50	50.1 to 60	60.1 to 70	70.1 to 80	80.1 to 90	90.1 to 100	100.1 to 500	500.1 to 1,000	Above 1,000	
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Illinois	30.1	27.1	23.0	8.1	3.9	4.1	1.0	.7	.9	.6	-------	.4	-------	.1	-------	-------	100
Missouri	14.0	14.9	17.6	14.2	10.6	10.2	6.7	3.3	2.2	1.5	.9	.8	.6	.4	.1	-------	100
North Central	14.6	15.3	17.8	14.0	10.4	10.0	6.5	3.2	2.2	1.4	.8	.8	.6	2.3	.1	-------	100
Virginia	34.1	45.1	14.2	3.7	1.2	1.0	.4	.2	.5	-------	-------	-------	-------	-------	-------	-------	100
North Carolina	20.3	38.6	24.0	8.3	3.4	2.8	1.1	.5	.3	.2	.1	.1	-------	.3	-------	-------	100
Kentucky	49.5	29.7	12.0	2.9	1.8	1.3	.9	.6	.2	.2	.1	.2	-------	.6	-------	-------	100
Tennessee	18.5	28.8	25.6	11.6	5.6	4.7	2.0	1.0	.5	.4	.3	.2	.2	.6	-------	-------	100
East Central	20.8	35.3	23.9	9.2	4.0	3.3	1.4	.7	.4	.2	.2	.1	.1	.4	-------	-------	100
Alabama	8.8	24.4	32.3	15.3	7.2	5.9	2.3	1.1	.7	.4	.3	.2	.2	.9	-------	-------	100
Arkansas	8.4	22.9	28.6	16.9	7.3	7.1	2.8	1.6	1.0	.6	.4	.3	.3	1.7	.1	-------	100
Florida	19.4	40.6	26.5	7.3	2.9	2.0	.6	.4	.1	.1	-------	-------	-------	.1	-------	-------	100
Georgia	6.3	19.6	29.0	18.1	9.2	8.4	3.6	1.8	1.1	.7	.5	.3	.3	1.1	-------	-------	100
Louisiana	9.3	26.4	30.4	14.1	6.2	5.7	2.5	1.4	.9	.6	.4	.3	.2	1.5	.1	-------	100
Mississippi	8.2	26.0	29.4	14.4	6.9	6.1	2.7	1.4	.9	.6	.4	.3	.3	2.1	.2	.1	100

Percentage of cotton acreage allotments by respective size groups, by States and the United States in 1941—Continued

State and region	Size of allotment group in acres															Total
	0.1 to 3	3.1 to 5	5.1 to 10	10.1 to 15	15.1 to 20	20.1 to 30	30.1 to 40	40.1 to 50	50.1 to 60	60.1 to 70	70.1 to 80	80.1 to 90	90.1 to 100	100.1 to 500	500.1 to 1,000	Above 1,000	
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Oklahoma	4.7	17.4	24.8	17.4	10.5	12.2	5.8	3.0	1.6	0.9	0.5	0.3	0.2	0.7			100
South Carolina	10.1	23.8	28.2	15.7	7.9	6.8	2.8	1.5	.9	.6	.4	.3	.2	.8			100
Texas	3.6	9.0	15.4	16.1	10.7	15.0	9.6	6.2	4.4	2.6	1.7	1.2	.9	3.5	0.1		100
Southern	6.9	19.3	25.4	16.0	8.6	9.4	4.9	2.9	1.9	1.1	.8	.5	.4	1.8	.1		100
Arizona	3.7	6.2	13.8	14.6	12.7	11.4	11.8	3.5	3.6	4.9	3.8	.9	.8	7.9	.2	.2	100
California	3.9	10.8	14.3	20.0	8.7	11.5	7.8	5.0	2.9	2.5	1.9	1.7	1.4	6.9	.6	.1	100
Kansas	18.4	12.2	20.4	4.1	6.1	18.4	12.2	8.2									100
New Mexico	9.6	10.6	20.4	16.0	11.1	12.8	4.3	4.6	2.9	1.8	1.1	1.0	.5	3.1	.1	.1	100
Western	5.3	9.6	15.8	17.7	10.2	11.8	7.9	4.5	3.1	2.9	2.1	1.3	1.0	6.2	.4	.2	100
Total	8.9	21.4	25.0	15.0	8.0	8.6	4.4	2.6	1.7	1.0	.7	.5	.4	1.7	.1		100

Source: Agricultural Adjustment Agency.

Number of cotton acreage allotments by respective size groups, by States and the United States in 1941

State and region	Size of allotment group in acres															Total
	0.1 to 3	3.1 to 5	5.1 to 10	10.1 to 15	15.1 to 20	20.1 to 30	30.1 to 40	40.1 to 50	50.1 to 60	60.1 to 70	70.1 to 80	80.1 to 90	90.1 to 100	100.1 to 500	500.1 to 1,000	Above 1,000	
Illinois	208	187	159	56	27	28	7	5	6	4		3		1			691
Missouri	2,618	2,777	3,299	2,666	1,994	1,907	1,250	611	411	277	163	145	107	446	24	5	18,700
North Central	2,826	2,964	3,458	2,722	2,021	1,935	1,257	616	417	281	163	148	107	447	24	5	19,391
Virginia	3,859	5,099	1,606	414	140	117	42	17	5	6	5			8			11,318
North Carolina	24,916	47,440	29,519	10,223	4,134	3,390	1,382	661	409	244	141	123	82	346	12	3	123,025
Kentucky	1,587	952	386	94	57	42	28	20	6	6	3	5	2	18	1		3,207
Tennessee	14,197	22,129	19,678	8,900	4,306	3,618	1,556	793	413	287	230	168	122	459	8	1	76,865
East Central	44,559	75,620	51,189	19,631	8,637	7,167	3,008	1,491	833	543	379	296	206	831	21	4	214,415
Alabama	15,929	44,009	58,295	27,572	12,906	10,534	4,098	2,021	1,228	771	572	442	309	1,560	60	9	180,315
Arkansas	11,384	31,199	38,935	23,018	9,935	9,600	3,738	2,090	1,292	775	597	450	402	2,329	203	57	136,004
Florida	2,430	5,100	3,323	916	358	248	70	57	18	10	3	4	1	15			12,553
Georgia	9,218	28,832	42,544	26,542	13,453	12,416	5,347	2,648	1,603	1,010	720	489	395	1,696	36	6	146,954
Louisiana	8,143	23,094	26,617	12,289	5,417	5,010	2,209	1,182	800	491	351	293	194	1,281	60	18	87,489
Mississippi	12,379	39,166	44,266	21,658	10,331	9,212	4,055	2,173	1,389	857	678	493	421	3,158	291	88	150,675
Oklahoma	6,295	23,121	33,058	23,117	14,064	16,269	7,726	4,053	2,138	1,188	663	426	309	901	14	2	133,344
South Carolina	10,514	24,660	29,233	16,288	8,216	7,022	2,877	1,541	881	627	423	313	206	844	17	1	103,663
Texas	12,306	30,640	52,524	54,868	36,545	51,173	32,933	21,335	15,072	8,895	5,728	4,175	3,202	11,906	278	62	341,642
Southern	88,598	249,821	328,795	206,268	111,225	121,484	63,053	37,000	24,421	14,724	9,735	7,085	5,439	23,690	959	242	1,292,539
Arizona	159	268	600	636	551	494	512	151	157	214	164	40	34	344	9	11	4,344
California	364	996	1,318	1,855	798	1,062	715	457	268	235	172	152	128	638	52	12	9,222
Kansas	9	6	10	2	3	9	6	4									49
New Mexico	439	485	933	732	508	585	196	210	133	82	50	46	23	142	5	5	4,574
Western	971	1,755	2,861	3,225	1,860	2,150	1,429	822	558	531	386	238	185	1,124	66	28	18,189
United States	136,954	330,160	386,303	231,846	123,743	132,736	68,747	39,929	26,229	16,079	10,663	7,767	5,937	26,092	1,070	279	1,544,534

Source: Agricultural Adjustment Agency.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I think every Member, if he has had some contact with agriculture, realizes exactly how complex this cotton situation is. Our colleague from Georgia [Mr. PACE] has done an excellent job in explaining this bill. But we must go back into history a little to a time before the war.

At that time, in the first year I was here, we had a parity subsidy program which showed that the cotton and wheat people had already received $3,000,000,000 by 1940. That was not a subsidy to the farmer in fact because it was a subsidy to the people who were using the wheat and using the cotton. If you are interested in following this cotton story through, I do not know of any better way of doing it than referring to the extension of my remarks on June 8 where you will find a 19-year study that has been made by the Bureau of Agricultural Economics. You will find there some idea of what the hourly returns for labor from various types of American agriculture have been.

I was very much distressed to see Members vote against the Gore bill for the reason that if you will analyze that table you will note that the 90 percent of parity on the different types of agriculture right straight through does not give the American farmer any more than 50 cents to 60 cents an hour for his labor. As you look at 1943, you will find that cotton, bringing practically parity prices at that time, showed 46 cents an hour labor return for that particular crop.

Now, I realize that the cotton economy is more or less distressed from more than one angle. One angle is that we have got the big operator starting in the cotton business, the same as he has in many other businesses. When you note the new $7,000,000 cotton farm out in California, where they raise a couple of bales to the acre, one can note what can happen to many of the people in the old cotton sections. You do not have to say "we need only 12,000,000 or 14,000,000 acres." That may be true, but we do not know what the weather is going to be. We must also remember that anything that will affect one part of the economy of this country will affect this whole country. 21,000,000 acres may look like a too high acreage. The Congress is in session pretty near all the time, or has been in the last few years, and if it is too much, there is nothing to stop us from changing it, because we are sure to always be in session.

So far as the cotton people are concerned, surely we have had exports. We have had them under the Marshall plan, last year representing around $300,000,000 or $400,000,000 worth. Now, how much longer that is going to be in the picture, no one knows, but at least, if we are going to cut this acreage of cotton down to 21,000,000 acres we have to do

it gradually without causing economic disturbance throughout the cotton-producing areas.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Texas.

Mr. BECKWORTH. I notice that Oklahoma seems to have been dealt with a little differently. I meant to ask the gentleman from Georgia [Mr. PACE] but he did not have the time. What explanation is given of that, just for the information of the House?

Mr. MURRAY of Wisconsin. I will leave it to the gentleman from Georgia to answer that, to get it correct.

Mr. PACE. There is very little in the bill on that. Their whole problem is this. They went into wheat, they went into peanuts, and they went into cotton during the war. Now, wheat allotments are on a 10-year basis and peanuts and cotton on a 5-year basis. They lost 57 percent of their peanuts, they are losing at least 50 percent of their wheat, and it has become an economic problem, and I am sure the gentleman from Wisconsin feels that consideration should be given to the Oklahoma situation just like California and New Mexico and the other Western States.

Mr. MURRAY of Wisconsin. I do not want to get into trouble on both sides of the aisle. In my humble opinion, wheat was pretty well taken care of by the International Wheat Agreement. There is going to be a subsidy involved in that of around $75,000,000 to $80,000,000. If I remember correctly, it is 168,000,000 bushels of wheat that is going into the International Wheat Agreement. So, I just personally wondered why they had really wished to further indicate they wishes to be in a preferred class. I am sure that my colleague, the gentleman from Colorado, the Honorable WILLIAM HILL, can and will give you various and sundry reasons why the people are entitled to additional acres of wheat.

But, there is one thing that these whole hearings have brought out. There is no use talking about a support program unless we have some control over production in the United States. There is no use talking about a control program unless we have some control over the amount of agricultural products that come into the United States.

Whether this is the right legislation or whether it is not, I call to your attention that this is the legislative way of approaching it. We are going to vote for this bill today or you are going to vote against it. I hope you are going to vote for it. Personally, I think it should be supported. I am willing to stand by it, but I do not want to come in here a year from now and I do not want anybody else to come in and try to criticize somebody down in the Department of Agriculture for what they do on cotton, wheat, or peanuts. It is our responsibility. I am willing to accept mine, and I want every Member here to accept his, so that next year someone does not get up and complain about what Mr. Brannan has done, because this is to be preferred to just passing the responsibility on to someone else. We are at least legislating, either rightly or wrongly, and we are doing it as representatives of the people. It is real representative government.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I intend to address my remarks to page 21 of this bill, but before doing so let me say just one word about my friend from the cotton section. As the good chairman of our committee, the gentleman from Georgia [Mr. PACE], knows so well, I tried to attend those meetings as regularly as I possibly could. In other words, whenever it was possible I was at the committee meeting, as the gentleman well knows. I know and I want to testify here this afternoon to the hard work that was done by the chairman and the subcommittee to bring about an agreement among all the various elements and sections of the United States that produce cotton.

Let me say that the first thing you noticed about all the Congressmen who worked on this was the fact that they wanted to try to agree, and at times you just felt that was an impossibility. Then you sat further and listened longer, and finally you found that there was, shall I say, an element of agreement that began to show. In a short while they came up with this legislation.

I do hope every man on this floor realizes what a difficult task it is when you find cotton grown in different sections of this country and you find it grown on different types of soil, and you find it grown under different conditions and farming practices.

Now we have reached the wheat section of this bill, and there again you are dealing with a very, very important crop. I would say that as far as you and I are concerned as people, one of the greatest crops we produce is wheat. We should not put wheat in jeopardy. That is exactly what some Members of the House would like to see done. If they support a program of cutting wheat completely down to where a man really could not make a living. growing it, I say frankly to you that the children of this country would be short of bread. That holds true of cotton. I am convinced in my own mind that we have gone just about as far as we dare go in curtailing the cotton acreage. If we should happen to strike a year when the seasons say to us: "We are going to make everything as difficult as we possibly can," and after all, the seasons are out from under the control of the Department of Agriculture, we shall be in trouble. Let us keep in mind that we still, as farmers, must operate under the sunshine, in good weather and bad, and in spite of insects, and in spite of the elements. The greatest gambler in the world is the farmer. That holds true in producing cotton and it hold true in wheat.

We find that the acreage of wheat was increased—the only time in history since I have been able to remember, and I need not—this is the first time in our history that I can find where the price of wheat per bushel increased at the same time the farmers increased the acreage and the wheat seasons were favorable. Then we, as the Congress, would curtail the wheat acreage down until, if the seasons were unfavorable, we would have short crops and short production, not for 1 year but for 5, not for 5 years but for 10.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. Will the gentleman kindly explain the provision of the bill relating to wheat?

Mr. HILL. Yes; but I would need more time than 2 minutes.

If you will turn to page 21, section 5, you will find we have two divisions, section (A) and section (B). It says:

Notwithstanding any other provision of law—

That is where we get our authority—

farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

In (A) you will find it says that 50 percent of the acreage of the farm seeded for the production of wheat this year.

I think I should explain that. In our territory you plant wheat 1 year and you harvest it the next year. I suppose everyone understands we are talking about winter wheat.

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949.

What we mean by fallowed is that you farm the crop 1 year ahead and you do not have any crop on the ground that you farm the year you plant it. I hope I have made myself plain.

(B) reads as follows:

(B) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948.

I think I can say this in illustration, in closing my short remarks: If you were a wheat farmer and you had a thousand acres of wheat, and you have farmed all of that wheat ground, by summer fallowing or otherwise, under this present regulation which the Secretary of Agriculture has issued curtailed wheat acreage and which will cut our production from 81,000,000 acres down to 68,000,000, this would allow wheat growers who have increased their acreage in 1947 and 1948 to take their thousand acres, divide it by two, which would give them 500 acres, and take 17 percent—we will use that as a round number—which would be the average national curtailment—take the 17 percent off of the 500 acres, this would give the farmer exactly the acres that he would be entitled to plant in 1949 and harvest in 1950.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include some more illustrations, so that we will all understand what we mean when we say curtailing the acreage in the territory where the wheat acreage increases was, largely, in 1948 and 1949.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. AUGUST H. ANDRESEN. There was no disagreement amongst the wheat growers so far as this wheat provision in this bill is concerned, was there?

Mr. HILL. No; there was no disagreement amongst the wheat growers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. GRANGER].

(Mr. CARROLL (at the request of Mr. GRANGER) was given permission to extend his remarks at this point in the RECORD.)

[Mr. CARROLL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may require to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I take this time to explain briefly the effect of this bill on my own state of Oklahoma.

The bill contains provisions which will increase acreage allotments in my State in cotton, wheat, and peanuts. To say that I am satisfied with these provisions would be far from true. I do appreciate, however, the fact that the committee has given special consideration to the needs of my State and has made some very important concessions to it.

Since this bill deals primarily with cotton, I shall begin with a discussion of that phase of the measure. While the bill was before the Committee on Agriculture, I sponsored a series of amendments designed to give additional cotton acreage to Oklahoma. First of all, I asked the committee to approve an amendment recommended by my colleagues, the gentleman from Oklahoma [Mr. MONRONEY] and the gentleman from Oklahoma [Mr. WICKERSHAM]. This amendment would have given a base to any State of not less than 75 percent of the acreage planted in 1942. This amendment would have given Oklahoma a base in 1950 and 1951 of 1,400,000 acres. The testimony of my colleagues, which appears in the committee hearings, makes it abundantly clear that our State needs and is entitled to the acreage contemplated by their amendment.

The committee rejected this proposal on the ground that it would throw acreage allotments in other States out of balance. I then offered an amendment, limited specifically to Oklahoma, basing our acreage on a percentage of our 1942 and 1943 production, which would have given us a base of 1,400,000 acres. It was my opinion then and it is my opinion now that if the new cotton areas are entitled to an allotment based on their most recent history, Oklahoma, as an old producing State is entitled to a percentage of its 1942 and 1943 production. It is impossible to examine existing legislation relating to our two other principal cash crops without being convinced of the justice of this proposal. The peanut-quota law protects the old grower and the wheat law gives him a large measure of protection. It is important in a multiple cash crop State, like Oklahoma, that there be some uniformity as between the various quota laws. Otherwise hardships are inevitable whenever acreage controls are in effect.

My next proposal to the committee would have given Oklahoma a base of a little over 1,300,000 acres. This amendment would have placed our State on a 5-year historical base beginning in 1943. This amendment was also rejected.

The committee did see fit, however, to give Oklahoma a 5-year history, beginning in 1944, by incorporating a provision applicable only to Oklahoma, similar to one contained in the Senate bill. The effect of this provision is to give to Oklahoma a base of 65,000 acres more than it would have received on a 4-year basis as applied to other States. The sum total of the effect of the cotton provisions on Oklahoma is, subject to adjustments for war crops, to give our State a base of 1,271,000 acres factored to a national base of 22,500,000 acres. H. R. 5738 contains a minimum limitation on the national allotment for 1950 of 21,000,000 acres. If this provision is retained in the act, Oklahoma's acreage will be just short of 1,200,000 acres in 1950, which figure represents the estimated plantings in our State as of July 1, 1949.

The national plantings this year have been estimated to be 26,300,000 acres. A cut-back to 21,000,000 acres will represent a reduction of nearly 20 percent. This, in my opinion, is all the traffic will bear. If the minimum is kept in the bill, it is my judgment that Oklahoma growers will be able to adjust their acreage to our 1950 allotment without undue hardships.

I do want to impress upon the committee, however, that cotton acreage is urgently needed in Oklahoma. During the war many of our farmers turned to vegetable crops and peanuts in eastern Oklahoma, and to increased wheat acreage in the western part of our State. In view of decreasing demands for vegetables and warcrops generally, and of acreage limitations on wheat and peanuts, many of our farmers are going to find it impossible to turn to anything except cotton in order to make a living for their families.

This bill also contains a provision which will be of immense benefit to the peanut farmers of our State. This provision guarantees any State a minimum allotment of not less than 60 percent of its acreage harvested for nuts in 1948. The effect of this provision will be to give Oklahoma an increase in the statutory minimum allotment of 120,000 acres. It means that Oklahoma will not take any reduction in its acreage next year or in the years to come. This provision is absolutely indispensable to the future of the peanut industry in my State. I hope the House will see fit to accept it without any crippling amendments.

The bill also contains a provision important to the wheat farmers of our State. By giving credit for acreage which was summer fallowed in 1948 and 1949, my State will gain about 150,000 acres over the allotment which has already been announced by the Secretary of Agriculture.

I would like to call the attention of the committee to the fact that these provisions relating to wheat and peanuts in this bill, which is primarily a cotton bill, are necessary in order that Oklahoma and other States affected will receive in total allotments of our three principal crops enough acreage to enable our farmers to make a living. Without these provisions the bill will be out of balance. I trust that no attempt will be made then to strike them from this legislation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I think possibly one of the greatest contributions to this debate was the reference made by the gentleman from Texas, [Mr. BECKWORTH], to the family-size farms. There is no question in my mind but that the family-size farm is being threatened today.

In my recent trip to California I was concerned, and I should think the gentlemen from the cotton areas in the South would be concerned, about the growth of the large operators out in that State. I saw areas of one and two thousand acreas being operated by heavy machinery, by high-powered apparatus, yielding, according to the information that I received, tremendous amounts of cotton and other produce. It would seem to me that the family-size farmer of the South would be concerned over a situation of that kind.

I asked a little further about how they operated, and they told me that several operators could get together and have enough farm machinery and enough capital to outproduce any of the smaller farmers of the southern areas. I think that should be an object of concern. I do not like to see the day come when all this production will be in the hands of a few people, when the veteran is not able to get a break of any kind, and when the small-size farmer is deprived of even a fair living.

One thing is certain, that the family-size farmer cannot compete with this high-yield, high-pressure farm. He is not set up that way. I would take him a lifetime to buy the farm machinery necessary, even if he could get a group together to try to cooperate, and they would have great difficulty in competing with the men who are already set up so that they could go ahead and produce cotton at the tremendous rate they do in California.

This is no reference to sectionalism, and I do not pretend to know anything about cotton farming. The only thing

I know is that your cottonseed is sent up from the South to feed the dairy cattle in the New York milk shed, which in turn produces milk to go to the big cities that we try to take care of. However, I do believe the gentleman from Texas, [Mr. BECKWORTH], has made a very pertinent point in his defense of the small family-size farm, whether it be a cotton farm or any other kind of farm. It is absolutely necessary that they survive, and I think it is our duty to help them in every way we can.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WERDEL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

[Mr. WERDEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, it has been my great privilege to live in a cotton country, to grow cotton, to pick cotton, to work in cotton gins, to work around the compresses and oil mills, and to watch the economic flow of cotton out of this country to other parts of the world. I can understand why this bill is before us today, but I regret to say that in my opinion it is a sorry day in the history of this country. As we go into more and more accumulation of great economic forces, in the shape of commodities such as cotton, piling up vast inventories in which the funds provided by bondholders and taxpayers are invested, I can see the handwriting on the wall and understand why a marketing quota system is proposed. But that is tough on the little cotton grower who has anywhere from 1 to 12 or 15 children, and who in times of distress can do economically only one thing, namely, produce more cotton to keep up his income. He does not know anything else to do except to grow more cotton.

We get into international trade agreements, we form international alliances that fixes matters so that our people cannot dispose of their surplus crops, such as cotton, and thus you find that situation such as you have here today. I listened with great interest and great respect to the gentleman from Georgia [Mr. PACE]. I have some idea of the number of hours he has spent in recent years on cotton as all of these cotton programs have been developed from time to time, financed by the people and approved by the Congress, the allocation of these quotas. We say to a man, for instance, that if the necessary number of farmers growing cotton vote for it, that you, Mr. Grower, cannot sell cotton in the United States in excess of X number of bales unless you pay a penalty. As the gentleman from Georgia [Mr. PACE] said, it now would be something like 15 cents a pound. We are going to penalize a citizen of the United States who goes out and labors in the cotton fields in order to maintain the necessary subsistence for his wife and children because he grows a great economic force, such as cotton, which is probably one of the greatest crops ever grown on the face of the earth.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BECKWORTH. Would the gentleman state to the Committee what chance the kind of man he is talking about would have ever to become a big cotton farmer, one of those little fellows who gets, we will say, a 12- or 13-acre allotment?

Mr. CRAWFORD. I believe the little cotton grower of the South has no chance whatever of becoming a big cotton farmer except by sheer accident. Under these cotton laws that we have approved here from year to year, I see no chance for him economically, socially, or otherwise, because he is beaten down by a marketing quota which says, "You may grow it, but if you sell it, I will penalize you 15 cents a pound."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that, if it were not for the situation where the American taxpayers have financed the export of from 12,000,000 to 15,000,000 bales of cotton in the last 4 years, that a great part of that cotton would still be in the United States owned by the Federal Government?

Mr. CRAWFORD. I think it would have been here, but why would it have been here? That is the big question. Why have we substantially surrendered the cotton market of the world to somebody else? Are we going to surrender the wheat market of the world to somebody else? Are we going to surrender all of our great markets to somebody else? If so, how are you going to raise the necessary funds to finance these obligations we have assumed across the face of the earth? That is what we have got to think about.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Minnesota is recognized for 3½ minutes.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired. All time has expired. The Clerk will read the bill for amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The bill follows:

Be it enacted, etc., That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (1) the estimated carry-over at the begining of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of 21,000,000 acres. Such proclamation shall be made not later than November 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within 30 days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the 5 years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of 22,500,000 acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, 79th Cong.) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over 1,000,000 acres and less than 50 percent of the 1943

allotment, the average of the acreage planted (or regarded as planted under Public Law 12, 79th Cong.) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of 22,500,000 acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of 22,500,000 acres) shall not be less than the larger of (1) 95 percent of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 percent of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than 22,500,000 acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to 22,500,000 acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton for 1950, 1951, and 1952 shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed and for each year thereafter shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided*, That the State committee may reserve not to exceed 10 percent of its State acreage allotment (15 percent if the State's 1948 planted acreage was in excess of 1,000,000 acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, 79th Cong.) in any one of the 3 years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) 5 acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, 79th Cong.) to cotton in any year of such 3-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, 79th Cong.) to cotton during any of the preceding 3 years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, 79th Cong.) in any such year.

"(3) The county committee may reserve not in excess of 10 percent of the county allotment (15 percent if the State's 1948 planted cotton acreage was in excess of 1,000,000 acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, 79th Cong.) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm-acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 percent of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding 15 acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm-acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 percent of the allotment or 1 acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided*, That no allotment shall be established for any such farm unless application therefor is filed within 3 years after acquisition of such farm by the applicant or within 3 years after the enactment of this act, whichever period is longer: *And provided further*, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1041, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee deter-

mine that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided,* That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 percent of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored. Upon failure to so store the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer.

"(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored, except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

"(e) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"AUTHORIZED REDUCTIONS IN STORAGE

"SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm-acreage allotment exceeds the acreage planted to cotton.

"(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided,* That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

"LONG STAPLE COTTON

"SEC. 348. (a) Unless marketing quotas are in effect under subsection (b) of this section, the provisions of this part shall not apply to cotton the staple of which is 1⅛ inches or more in length.

"(b) Whenever during any calendar year the Secretary determines that the total supply of the cotton specified in subsection (a) of this section for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 percent, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year: *Provided,* That the Secretary may exempt from such quota any variety or kind of such cotton if he finds that the total supply does not exceed the normal supply thereof by more than 8 percent. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of such long staple cotton adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of the act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such long staple cotton."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: " 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 percent in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 percent of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acerage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths-inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following new matter: "*Provided further,* That the allotment established for any State for any year subsequent to 1949 shall be not less than 60 percent of the acreage of peanuts harvested for nuts in the State in 1948 and any additional acreage so required shall be in addition to the national acreage allotment and the production from such acreage shall be in addition to the national marketing quota."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was followed and from which no crop was harvested in the calendar year 1949, or

(B) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was followed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national acreage seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided,* That no acreage

shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I had not thought to speak on this bill because I had trusted that the Members would understand the necessity for it. I thought it might be passed without undue discussion. But I do think we should keep the record a little clearer than it seems to be right now.

The gentleman from Minnesota has called attention to the fact that certain of the products on which the Commodity Credit Corporation has made loans have been sold for European relief and for other purposes. The gentleman did not call your attention to the fact that on cotton the United States Government has, since the loan program began, made a profit or gain of $237,000,000. That is not $237,000,000 that the taxpayers had to pay, that is $237,000,000 the purchasers of that cotton paid; that the taxpayers did not have to pay. That is $237,000,000 that the purchasers of that cotton paid that made it possible for American taxpayers to pay that much less taxes. That is $237,000,000 deducted from the taxes the people of America had to pay. Most of that cotton was sold before the war began. That cotton accumulated, not during the recent years, but during the years back in the late thirties and the early forties. In recent years the United States Government has pooled loan cotton and the farmers have gained whatever increase in price there may have been. But in the early years of this program, when the United States Government took cotton at 12 cents and at 13 and 14 cents and sold it at 18 and 20 cents, the United States Government made a profit. It is on the books, and you cannot escape it. It did not come from charity and it did not come from the ECA; it came from regular commercial sales of cotton, and it amounted to approximately a quarter of a billion dollars.

I do not think it is proper to leave the record here indicating that the cotton farmers of America have been a weight around the necks of the taxpayers, because on the contrary they have been a life buoy around the taxpayers. They have relieved the taxpayers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Also, he should not leave the impression with the House that the ECA program has been in effect a subsidy program for the farmer. Look at the hundreds of millions of dollars worth of industrial goods that have gone to ECA.

Mr. POAGE. Exactly. Only a very small percentage of ECA money has been spent on cotton. A very, very small percentage of it has gone for cotton.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I say to the gentleman that we earmarked a very substantial portion of that money to sell cotton or to use for the export of cotton, tobacco, and these other surplus items. The point the gentleman made about the Government's making money on a certain amount of cotton is true, but that was back prior to the war. What I am talking about is what happened after the war.

Mr. POAGE. The United States Government as of this moment has a profit of $237,000,000 in cotton transactions, up to the present date. The United States Government is not taking losses on cotton, as the very figures show that have been so misinterpreted in in the newspapers this morning. There were loans on approximately 5,500,000 bales of last year's crop of cotton. The figures you have been shown this morning, the very figure that some people have tried to indicate showed the Government was today carrying the burden of the cotton crop, actually show the Government does not have more than 3,500,000 bales of cotton today, which means that 2,000,000 bales of loan cotton have within the last 6 months been fed into the normal channels of trade. And these 2,000,000 bales have moved without loss to the Government. The farmer could not redeem this cotton without paying all that the Government had advanced including storage and transportation.

If the Government has acquired title to any of that cotton it did so at 90 percent of parity and all Government-owned cotton has been sold at parity or above because the law does not allow the Government to sell that cotton at less than parity. The plain facts are that more than 2,000,000 bales of cotton on which the Government loaned money last year has been moved into the channels of trade, and it has done so without loss to the taxpayers. The Government has not and is not now suffering a loss on cotton. It has not suffered a loss on wheat. I want to make perfectly plain to the membership of this committee that the Government has made a profit and has not sustained a loss on those two great basic storable commodities, cotton and wheat. Let no one mislead you by quoting paragraphs on potatoes, milk and eggs, and charging that cotton and wheat, those two great basic storable commodities, have not made a profit for the Government. They have not cost the Government anything.

I hope this committee will recognize however, that if we are to continue with such a successful program we must control the production. We cannot have unlimited production and have the Government supporting the price without going deeply in the hole. Cotton farmers do not ask Government support of unlimited production. This bill proposes to establish a program of restricted production which will be equitable between cotton growers and which will protect the taxpayers of the country.

Mr. BECKWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask some of the Members who are sponsoring this bill this question. It is in the form of an assumption, but I think a very real assumption.

Assume that a veteran 25 or 26 years of age never did anything except grow cotton on a cotton farm until 1942 when he went into the Army; assume he remained in the Army until 1946; assume that he took GI training to be a mechanic for 2 years and while doing so he did not farm; assume that he owns a 60-acre cotton farm which has had no cotton on it since 1942; assume that today he loses his job and goes back to that cotton farm which has not had cotton grown on it since 1942. The question is: will he be privileged to get 5 acres of cotton?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. PACE. That depends, and I have tried to explain it to the gentleman, that depends entirely upon the State PMA Committee of the State of Texas, and the county PMA Committee in which that farm is located. He can, and will very likely get considerably more than 5 acres. It depends upon the amount of acreage the State committee allocates to that county for new farms. If the State committee gives the county, for example, 500 acres for new farms every acre of it must go to new farms. Then, in addition to that 500 acres, the county committee may reserve 10 percent that can be used for new farms. So the allotment could be identical with like farms in the same area.

Mr. BECKWORTH. May I ask this further question: however, is it true or is it not true that the definite 5-acre minimum applies to him?

Mr. PACE. It does not.

Mr. BECKWORTH. That is my point. He has no assurance—no positive assurance. It is true enough that if the circumstances are such the members of the county committee are privileged to give him that allotment, he will receive it, but he has no definite assurance, none whatsoever by the terms of the bill that he will get 5 acres of cotton.

Mr. PACE. If the gentleman is leading down that road, let me tell him before he goes too far that if he proposes to offer an amendment to give every new grower 5 acres, then that may be about all the cotton that is grown in the United States.

Mr. BECKWORTH. You call this man a new grower?

Mr. PACE. He is a new grower if he has not grown any cotton in the last 3 years.

Mr. BECKWORTH. That is right, and that is what I understand the bill to mean.

Mr. PACE. If the gentleman proposes to give a minimum of 5 acres to every new grower who wants to get into the cotton-growing business, or to every veteran who wants to get in the cotton-growing business, then he will have to take a great deal of acreage away from those veterans who are now in the cotton business and very likely nobody in this country will get much more than a 5-acre allotment.

Now, if the gentleman wants to take the cotton farmers of Texas and cut every one of them down to 5 acres, that is his business.

Mr. BECKWORTH. I simply want to establish the fact as it is; that is, that this veteran who has grown far more cotton than he has done anything else, has no assurance, under the language of this bill, that he will get 5 acres of cotton; although, as the gentleman says, and I know he is fair, if there is enough left over in the 10 percent, of course he would get his part. On the other hand, if there should be in one particular county hundreds of these boys, they might end up with 2 acres or 3 acres instead of 5. I simply want to make that clear as a fact.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. RANKIN. When this program was put on in 1933, they simply squeezed the little farmer out. Instead of requiring the big planter to diversify, they cut down the acreage in proportion and squeezed the little farmer out of business. Any man who knows anything about cotton farming knows that on less than 5 acres, or even on 5 acres, a farmer cannot make enough money to pay his taxes.

Mr. BECKWORTH. I want to go one step farther.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BECKWORTH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BECKWORTH. I want to call attention to the problem this boy would face. I have here a letter from the Secretary of Agriculture. I quote a part of it:

> This means that over-all there must continue to be a shift of people out of agriculture. In these particular areas, return of the people to the land must be on a replacement basis.

I want to emphasize to the membership of the House that the Secretary of Agriculture has said that this means there must be an exodus, as it were, from the farms. For this veteran I assume that could be his lot.

Now, let us see what is going to happen when he undertakes to get into other forms of agriculture or industry. I have a letter here from Mr. Vance, our man in Texas, who is an able and fair man. He says it will cost some $6,000 for him to get into the cattle business, dairy, or beef cattle, in a small way, counting his feed needed. Obviously, very few of these boys can go into the cattle business. That is the only plan that has been advanced to him. Of course, they mention oats and things like that, as supplementary for feed. But let us assume he cannot get into any form of agriculture, and he becomes one of the fellows seeking a job. That is what I would do and what you would do if you were in his place. What does he run into then? I quote a letter of July 18 from Mr. Nourse:

> Specifically, I do not see too bright a prospect of industry absorbing 250,000 to 500,000 people from agriculture if the policies were such as to crowd those people out of farming.

That is a very definite statement. He does not see much chance for those fellows to get into industry now.

May I say that some oil companies in my district right now are discharging as high as 20 percent of their employees, if I get the data correctly. Some of those boys, incidentally, grew up on cotton farms, and know more about cotton farming than anything else. Why have they not gone back to the farms? Because they are poor-land farms. Then what does the Secretary of Labor say about the possibility of their going into other industry if they lose out? A man has to do something. If he cannot farm, he has to get into industry. Where is he going? This is what the Secretary of Labor says on July 21:

> It would be highly speculative to attempt to predict whether a half million or a million farmers could be absorbed in industry during the next year or two. If the current down trend in industry continues, it will, of course, be difficult for such a large number to find nonagricultural jobs. On the other hand, if the trend is reversed, many displaced farmers may obtain employment.

When is the trend going to be reversed? I say to you what is important to this Nation is to be sure you are not running people out of those vocations which they know most about, or preventing them from returning to those vocations they know most about and concerning which they are best qualified to pursue.

I repeat what I said about the Member of Congress who is a lawyer, who stays here 20 years, who goes back home and they say his town is overflowing with lawyers, that he should not undertake to practice law. His answer would be: "That is all I know." It is very conceivable and very possible that this veteran I mention will answer with reference to the cotton farm: "That is what I know most about; that is the way I can best make my living; please give me a chance to do that"; and it may be that there will not be enough acreage under the terms of this bill for him to have that chance.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. NICHOLSON. I wish to ask the gentleman if the Secretary of Labor comes from an agricultural district.

Mr. BECKWORTH. I believe the Secretary of Labor comes from Massachusetts.

Mr. NICHOLSON. I asked the gentleman if he came from an agricultural district. The gentleman is setting him up as a man who has the answers for the agricultural problems.

Mr. BECKWORTH. I assume that he does know something about the employment picture.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. CHRISTOPHER. If in the gentleman's opinion 10 percent of the allotted acreage is not enough for the men he seeks to protect, how much does the gentleman think would be enough?

Mr. BECKWORTH. I am not familiar with what percentage would be enough but I ask the gentleman if he were dependent on cotton and were cut down to 2 acres, would he like it?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I wonder if we can reach an agreement on closing debate in 15 minutes?

Mr. BECKWORTH. Mr. Chairman, I have some amendments I would like to offer.

Mr. COOLEY. Then, Mr. Chairman, I suggest that the amendments be reported.

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BECKWORTH: On page 7, line 11, strike out the period and insert in lieu thereof a colon and the following: *"Provided, however,* That the allotment shall be a number of acres which will produce at least four standard bales of 500 pounds gross weight unless it can be conclusively shown by the county committee that (taking into consideration financial resources and available credit, available acreage, and other relevant factors) the operator of the farm, found so to be by the county agricultural committee, can engage in other practical farming activities on such farm which will assure him income from such farm for the calendar year in question (including his income from cotton produced in such year) at least equal to the income that four standard bales of cotton of 500 pounds gross weight, produced in such year, are calculated to yield."

Mr. COOLEY. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill. The bill deals with acreage allotments and marketing quotas. The amendment deals with farm income and provisions guaranteeing a certain farm income which is entirely foreign to anything that is now in this bill. The amendment deals with some sort of price insurance.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. BECKWORTH. Mr. Chairman, I submit this legislation deals altogether with cotton and with cotton allocations. The purpose of the legislation is to work out a cotton program and since the purpose of the legislation is to work out a cotton program the amendment is within the purview or scope of the bill.

The CHAIRMAN. The Chair has carefully considered the gentleman's

amendment which evidently attempts to guarantee a certain amount of income to the particular individual to whom is given an allotment. The purpose of the bill is not the guaranteeing of an income, as outlined in the gentleman's amendment; therefore, the Chair is constrained to sustain the point of order made by the gentleman from North Carolina.

Mr. BECKWORTH. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: On page 16, after line 3, insert the following subsection:

"(f) The penalties provided for in this section shall not apply with respect to cotton produced by any veteran of World War II who is recognized by the county committee as being, or as previously having been, a cotton farmer if his total production of cotton during the year in which such cotton was produced did not exceed an amount equal to four standard bales of five hundred pounds gross weight. As used in this subsection the term 'veteran of World War II' means a person who served in the active military or naval service of the United States on or after December 7, 1941, and before September 3, 1945, and who has been honorably separated from such service."

Mr. BECKWORTH. Mr. Chairman, this is a very simple amendment. It would permit any veteran recognized by his county committee as being a cotton farmer to have four bales of cotton. May I advert to what the gentleman from Georgia [Mr. PACE] said about having confidence in them. I have confidence in them. I believe they know what a cotton farmer is and what he is not. I believe they would know how to draw the line. They have a very fine conception of what is going on in their own counties. This would permit those veterans identified as cotton farmers to have 4 bales of cotton. I may say that that kind of veteran, those people, will not be responsible for bringing about a great surplus of cotton in this country, but it will take care of a group of people, some of whom were not privileged to be growing cotton during the years that they would have to be growing cotton under the terms of this bill in order to qualify for a reasonable baleage of cotton.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman have any conception of how many bales of cotton he is dealing with?

Mr. BECKWORTH. I think I have a pretty good conception.

Mr. PACE. All right. How many?

Mr. BECKWORTH. There are some statistics which the Secretary of Agriculture furnished me not so long ago—the latest I could get. The latest statistics that he has shows that 601,273 farms grew less than 5 bales on an average out of a total of 1,217,547 cotton farmers. Does the gentleman have any better or more accurate information than that? I do know that the gentleman keeps up with these matters in a very accurate way.

Mr. PACE. May I say to the gentleman that he was given every consideration and was invited to come before the committee and present his views, where these matters could be worked out, but the gentleman did not accept the invitation and give the committee an opportunity to analyze his views.

Mr. BECKWORTH. I may say in reply to that that I have talked with the gentleman, I have talked with the gentleman from North Carolina [Mr. COOLEY], with the gentleman from Mississippi [Mr. ABERNETHY], with the gentleman from Texas [Mr. POAGE], with the gentleman from Minnesota [Mr. ANDRESEN]; I have talked to many members of the Committee on Agriculture. I do not remember having spoken to the gentleman recently but he knows as well as I do that I have been interested in this problem all along and have discussed with him what I feel is a fair way to approach this matter. I said to nearly every member of the committee, through some tables published by the Census Department with which the Agriculture Department was familiar and which I mailed to several members of your committee, that according to the 1940 cotton program 50 percent of the cotton acreage went to seven-eighths of the cotton farmers and 50 percent of the cotton acreage went to one-eighth. I repeat, I sent to several Members statistics which were worked up by the Census Department and the Department of Agriculture to establish that fact. I think my views are well known to the Members of the House Committee on Agriculture. I do not see how they could not be.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from New York?

Mr. EDWIN ARTHUR HALL. I would just like to ask the gentleman if his amendment will aid the average veteran in his district to get a foothold and get back into farming and be an independent member of society rather than have to go to California and take a job as a laborer in some camp.

Mr. BECKWORTH. I will say this, it will not give him a bankable income or a big profit income in most instances, but it will give him a blue shirt and overalls income. It will take care of his essential school needs for his little children who are trying to go to school. Unless something like this is done, he has no assurance otherwise. We talk about 5 acres of cotton. The entire 5 acres may be so poor in some sections of this country that it will not make 1 bale of cotton. The 5 acres may be so fertile that it will make 5 bales of cotton. It is a most unrealistic approach to go and talk to a fellow as to how many acres he will have. I repeat what I have said many times, that you do not live on acres. You live on what they produce. You do not eat acres, but eat what they produce. Whatever income you get from what the acres produce and from nowhere else.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Tennessee.

Mr. SUTTON. I would like to point out to the gentleman that there were 15,000,000 boys in the service in World War II. Four bales per individual would be 60,000,000 bales of cotton.

Mr. PACE. Mr. Chairman, I move to strike out the last word.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman from Texas has just made the observation that he has talked to me about this matter. I want to say that although we have officed next door for 7 months, he has not discussed this matter with me. He has not appeared before our committee, although the committee has been in session for several months. We sent him and all other Members a letter on the 1st day of July, and he wholly ignored it. He did pass me one day in the hall and asked how we were getting along with the cotton bill, and I told him we were working hard on it.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. PACE. I am sorry, I cannot yield. I will take care of that myself. I will say that the gentleman never indicated his amendment to me. I asked him about an hour ago what he proposed so that I could get in touch with the Department of Agriculture and find out the effect of his amendment, and the gentleman refused to tell me what the amendment was.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. PACE. I am sorry. I think all of us have an interest in the veteran, and I think we all have an interest in the small farmer. There are over 1,500,000 cotton farms and I doubt there are over 10 percent of them that do not have a veteran on them. I think the cotton farmers went to war just about as well as anybody else. There are mighty few cotton farms that do not have a veteran.

What the gentleman proposes to do—I say this just after glancing at the amendment because I have had no opportunity to talk to the authorities since he declined to let me know what his amendment was going to be—is to exempt about 6,000,000 bales of cotton. That is the first thing he is going to do. Under this bill we authorize after next year an allotment of only 10,000,000 bales; consequently, the gentleman proposes to exempt 6,000,000 and leave only 4,000,000 bales for all of the other cotton acreage of the United States to produce—that is, assuming there is about one veteran on each cotton farm.

Mr. Chairman, this bill is the work of six long months. We issued two invitations to every Member of the House from cotton-growing districts. Many of them came before us. We considered sympathetically every proposal. Let me repeat that under Public Law 12, which I assume the gentleman from Texas has heard of——

Mr. BECKWORTH. I know much about it.

Mr. PACE. There is a special provision that if the boy on a cotton farm went to war and by reason of his service to his country the cotton history on that farm is not normal, then the Secretary of Agriculture is required to build up

the allotment for that farm to make it normal. That takes complete care of the veteran who went into the service off the cotton farm and has gone back to the cotton farm.

What the gentleman from Texas is trying to do is take the boys in town, the boys that have gone into some other business, or boys that never had any interest in going back to a cotton farm, and guarantee them that they can get a few acres and put somebody out there farming them, and then can market four bales of cotton free of any allotment or penalties of any kind. They would not have to have any acreage allotment, it would be that much in addition. They would have a fixed right.

Let me repeat, we have gone into this veteran feature and lots of tears have been shed about the veteran, but do not forget that every time you give to a veteran you have to take from a veteran. Certainly there are 10 times as many veterans producing cotton today as the gentleman from Texas would aid by his amendment. If you are going to take from a veteran who is in the cotton business to give to a veteran who is not in the cotton business, then where are the scales of justice? Certainly his amendment applies only to the veteran who is not now in the cotton business and who did not choose to go back to cotton farming following his discharge from the service.

The amendment of the gentleman from Texas [Mr. BECKWORTH] would assure every veteran in the United States who lived on a cotton farm at the time he entered the service of the right to produce four bales of cotton. No matter what the veteran is doing now or where he is living. His amendment has no limitation on time and such veteran can wait 5 or 50 years before he claims his right to grow some cotton. Neither does the committee or the gentleman from Texas have any idea how much cotton would be added by his amendment nor how much acreage his amendment would take away from the farmers now growing cotton.

[Mr. COOLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The question was taken; and on a division (demanded by Mr. BECKWORTH) there were—ayes 5, noes 60.

So the amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 22, line 10, after the period insert a new section:

"SEC. 6. Notwithstanding any other provision of law, the county committees and State committees may allow exchanges between farmers of wheat acreage allotments for cotton acreage allotments, and vice versa; provided the total allotments of each commodity shall not be exceeded at the county or State level."

Mr. WICKERSHAM. Mr. Chairman, I offer this amendment for this reason: In Oklahoma particularly we have a no man's land area which grows either cotton or wheat, based on the season. There are three districts, in Oklahoma particularly, the Sixth, Fifth, and Seventh Districts, which are in a similar position. Many years we can grow cotton continually if we wish. In other years we can grow only wheat. Sometimes hail, drought, grasshoppers, green bugs, blight and other disasters require us to plant cotton where we had planned to plant wheat or to plant wheat where we ordinarily would have planted cotton.

I have asked some members of various PMA committees in the State; I have asked individuals in the Department of Agriculture and many farmers; and they think this is a good amendment. Some of them think it would be difficult to administer, but I know it would not be difficult to administer. It is very simple. If a farmer had a 50-acre cotton allotment and a 50-acre wheat allotment, he could trade it to another farmer for a 50-acre cotton allotment or a 50-acre wheat allotment. One of them could grow 100 acres of cotton and the other could grow 100 acres of wheat.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield.

Mr. COOLEY. Under the gentleman's amendment, how could you possibly have control of either of the two commodities? The cotton farmers of Oklahoma might all decide not to grow cotton, and in that event you might break down the wheat program.

Mr. WICKERSHAM. I beg the gentleman's pardon, because my amendment provides that neither the county acreage allotted to wheat can be exceeded nor the county acreage allotted to cotton exceeded. It also provides that neither the State allotment for wheat or cotton can be exceeded. It would be very simple to administer.

Mr. COOLEY. You mean that the allotment to wheat and the allotment to cotton cannot be exceeded? Certainly one of them could be exceeded.

Mr. WICKERSHAM. No, sir. Under my amendment neither one could be exceeded. It would provide that Farmer Jones could trade with Farmer Smith.

Mr. COOLEY. What is the advantage in that?

Mr. WICKERSHAM. It would let the farmer grow what he could grow that year.

Mr. COOLEY. One farmer can trade his allotment to another farmer?

Mr. WICKERSHAM. Yes, sir.

Mr. COOLEY. We have had a control program for years and years, and we have never heard of such a proposition.

Mr. WICKERSHAM. No, sir. I was not in Congress then. I spent 18 years on a farm, and I do not claim to know everything about farming, but I can take any two Democratic farmers, or Republicans either and show you how easy it would be for one farmer to exchange with his neighbor a cotton allotment for a wheat acreage allotment. On the other hand, he could trade wheat acreage for cotton acreage allotment. This would mean a great deal to these particular areas in southwestern Oklahoma.

I wish to call attention to the fact that the northern edge of my district grows only wheat. The central portion grows either wheat or cotton. The southern portion grows mostly cotton. I have the largest cotton-producing area in the State of Oklahoma in my district, and one of the largest wheat-producing areas.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield.

Mr. PACE. I am sure the gentleman does not expect the Congress to enact a bill to provide for one particular area. Why do you not provide that you could swap cotton acreage for any other crop anywhere in the United States? That would make the proposition just a hundred times worse.

Mr. WICKERSHAM. No. I have talked with State committee men and others, and they think this is a sound and worth-while amendment. I talked to a State committee man in my home town 3 days ago.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield.

Mr. COOLEY. The gentleman received an invitation to come before the committee?

Mr. WICKERSHAM. Yes, sir; and I did.

Mr. COOLEY. Did you present your proposition to the committee?

Mr. WICKERSHAM. I certainly did. Were you there?

Mr. COOLEY. And it was presented to the committee?

Mr. WICKERSHAM. Yes, sir; I presented it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. COOLEY. Mr. Chairman, I move that all debate on the bill, and all amendments thereto, close in 10 minutes.

Mr. HESELTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HESELTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

Mr. COOLEY. Mr. Chairman, I renew my motion.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina.

The motion was agreed to.

Mr. BECKWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BECKWORTH. Does the Chair expect to divide the time among those who were standing?

The CHAIRMAN. The Chair will do the best the Chair can to divided the 10 minutes among those who have amendments. There are four amendments at the clerk's desk.

The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. POLK. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POLK: Strike out all of section 5 on page 21, lines 3 to 24, inclusive, and all of page 22.

The CHAIRMAN. The gentleman from Ohio [Mr. POLK] is recognized.

Mr. POLK. Mr. Chairman, a great deal of discussion has been held here this afternoon on the cotton situation, but we have neglected section 5, which relates to wheat. A few days ago I wrote a letter to one of my wheat farmers in Ohio and today I have his reply, which I would like to read to the House:

In reply to the question in your letter of July 30, 1949, in regard to H. R. 5738, provisions for granting additional wheat acreage to wheat growers who have increased their acreages of wheat quite rapidly in the past 2 or 3 years, will say that it is our opinion that the Ohio wheat grower, who has been growing wheat in his crop rotation for many years, would eventually lose about 10 percent of his allotment to the new Dust Bowl wheat growers and other farmers who were increasing their wheat acreage when they should have been holding it to their usual acreage.

If this provision passes, it will mean that every State where wheat is grown will have to go over its wheat listing sheets and increase the allotments of all growers whose 1949 wheat acreage was increased more than 50 percent of his normal acreage. This will cost thousands of dollars in Ohio alone and make the year-in-year-out wheat grower unhappy while it will make a very few in-one-year-and-out-the-next wheat growers happy.

Every acre added to any State by this bill means that much more wheat will be produced than is needed and will add to the burden of the Government in supporting the wheat price next year.

It also means that our storage facilities will be taxed still further by the production of this wheat which is not needed.

If the 17-percent national cut in wheat acreage for 1950 is made effective, Ohio growers will not have to reduce further in 1951. If this acreage is added on without regard to national needs, then Ohio growers will have to take another cut in 1951. Whatever that cut is will be the acreage Ohio will lose to the Western States and Michigan by the provisions of this bill.

It is quite difficult to estimate just how much Ohio would lose, since the State figures would be altered only by changes made on individual farms or ranches. Colorado, New Mexico, Texas, Kansas, and Michigan would benefit the most if my recollection of State figures are correct.

In other words, the provisions of section 5 will benefit the State of Colorado and other States in the Dust Bowl area, but it will mean that the acreage of wheat will be curtailed in the other wheat-growing areas.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. POLK. I yield.

Mr. PACE. The gentleman understands, I am sure, that this applies only for the one year 1950, and states that this shall be added to the national allotment. It will not cost the gentleman's State any acreage next year.

Mr. POLK. I would call the gentleman's attention to the fact that if the 17 percent national cut in wheat acreage for 1950 is made effective, Ohio growers will not have to reduce further in 1951. If this acreage is added on without regard to national trends, then Ohio growers will have to take another cut in 1951. Whatever that cut is will be the acreage Ohio will lose to the Western States and Michigan by the provisions of this bill.

It is a well known fact that present wheat surpluses have been caused by excessive increases in wheat acreage in several Western States, particularly Colorado. In Colorado the 1935–44 average wheat acreage was 1,496,000 acres. The 1949 acreage in Colorado was 3,526,000, an increase of 2,030,000 acres. In Ohio the 1935–44 average wheat acreage was 2,097,000 acres. The 1949 acreage was 2,377,000, an increase of only 280,000 acres as compared with Colorado's 2,030,000 acres of increase.

Section 5 of this bill is for the relief of those Western States and I believe it should be stricken from the bill.

(Mr. POLK asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. POLK].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: Page 16, line 3, after the period insert the following subsection:

"(f) The penalty provided for in this section shall not apply with respect to cotton produced by any person who is recognized by the county committee as being a cotton farmer if his total acreage does not exceed 5 acres."

Mr. BECKWORTH. Mr. Chairman, this makes it definite that if the county committee recognizes a person as being a cotton farmer that person shall have 5 acres of cotton. The gentleman from Tennessee [Mr. SUTTON] spoke about 16,000,000 veterans. If he will read my amendment he will find that I said "if they are recognized by the county committee as being cotton farmers." Those from New York, for instance, could not be recognized by the county committee as being cotton farmers.

The gentleman from Georgia [Mr. PACE] spoke about 6,000,000 bales. On July 25 the Department of Agriculture wrote me a letter as to the number of farmers growing 5 bales or less on the average, and there were 601,273. If every one of them grew 4 bales of cotton that would be 2,405,092 bales, and not 6,000,000. I would appreciate it if in the gentleman's remarks he would show where he got this 6,000,000 figure. It would be interesting indeed when we consider the fact that I have here a letter from the Secretary of Agriculture, written on July 5, with the particular figures I have given.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from North Carolina.

Mr. COOLEY. How could the gentleman determine and how could the county committee determine whether a man is a cotton farmer?

Mr. BECKWORTH. How did the 6,000,000 bales come in?

Mr. COOLEY. The gentleman does not provide any way of determining whether a man grows cotton or not.

Mr. BECKWORTH. The county committee would know. I repeat, they are knowing men, and would, to the extent they have authority under the law, be fair and just in their decisions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The question was taken; and on a division (demanded by Mr. BECKWORTH) there were—ayes 12, noes 56.

So the amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 5, line 15, strike out the period and insert a comma and the following: "or (3) 85 percent of the average acreage planted to cotton in the State in 1942 and in 1943."

Mr. WICKERSHAM. Mr. Chairman, my amendment merely provides that the acreage allotment shall not be less than an average of the 1942–43 acreage allotment, for this reason: In some States, for some years, we have not planted any cotton at all. In our State we have planted wheat, but we will go back to cotton.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Georgia.

Mr. PACE. Did the gentleman say not less than 85 percent?

Mr. WICKERSHAM. 85 percent of the average of 1942 and 1943.

Mr. PACE. Does the gentleman realize that taking the increased acreage since that time that you would increase the minimum allotment to 30,000,000 acres? What would you do with that much cotton?

Mr. WICKERSHAM. It would not amount to that much.

Mr. PACE. There were 27,500,000 acres allotted in 1942 and 1943. Take 85 percent of that, and take in this increased acreage in new areas and all of these farms that planted beyond their 1942 allotment, I am sure that 32,000,000 would be the minimum to be planted under the gentleman's amendment?

Mr. WICKERSHAM. I think the gentleman is slightly wrong. But, I call the committee's attention to the fact that years ago the State of Oklahoma had the second largest cotton acreage in the country. We have had it for years. We cut it in two once, and when the program came along we cut it in half again. I am for this program, and I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Texas [Mr. MAHON].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MAHON. Mr. Chairman, I am tremendously interested in this bill and I have carefully watched this legislation throughout the session. I believe that the congressional district which I represent will produce probably 2,000,000 bales of cotton this year. This will probably beat all other congressional districts in the United States for cotton production.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I disagree with the gentleman, because I think that in the First Congressional District of Arkansas you will find more cotton produced than any other congressional district in America.

Mr. MAHON. That is a matter for argument. When the bales are counted this fall we will have the answer. I know the gentleman from Mississippi [Mr. WHITTINGTON] also competes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Incidentally, our cotton is very much better than that produced anywhere else.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Since the gentleman addressing the House and the gentleman from Arkansas produce so much cotton, it looks like they ought to give us a little larger acreage in the States that do not produce quite so much and need this cotton acreage.

Mr. MAHON. I thank my friend from Georgia who I know is much concerned about this legislation affecting cotton. He suggests a point which I want to make. We might as well face the facts. This cotton acreage bill before us is not going to prove wholly satisfactory. There are going to be many disappointments and many hardships imposed on individual farmers, in my opinion. I have frequently urged the members of the committee to work out the very best possible program.

The farmer who put in new land to cotton in 1948 and 1949 will find himself in difficulty. I hope the 10 percent provision will to some extent meet this particular situation.

The truth is that it has been several years since we have had a cotton acreage control program and it is going to be difficult for cotton producers to go back to a program of a drastic reduction in acres.

I want to urge the committee to realize that this is not a perfect bill. The committee must continue its study of cotton acreage control programs and modify the present bill in the future in the light of further developments as they unfold.

I want to take advantage of this opportunity to thank members of the committee on Agriculture for visiting the Congressional District which I represent and for conducting hearings at Lubbock, Tex. I want to thank the committee for hearing witnesses from West Texas on the bill this year and for giving a sympathetic hearing to those of us in Congress who have from day to day discussed with the committee various aspects of the cotton program, and conveyed to the committee communications from cotton producers.

I trust that through the perfection of pending legislation a program may be finally agreed upon that will be reasonably acceptable to the producers of the Nation.

In closing I should like to ask if the committee feels that this bill gives as much local management to the program as any other legislation we have had.

Mr. WORLEY. May I say to the gentleman that, since our districts adjoin, and I am familiar with the problem with which he is faced, I can assure him that this bill gives local committees more control than any bill we have ever had. Of course, it must be realized that despite our best efforts the bill is not a perfect answer to our problem. The legislation should be perfected from time to time.

Mr. MAHON. I thank my friend. I know of his diligent efforts and the efforts of his colleagues on the House Committe on Agriculture to do a good job.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5738) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, pursuant to House Resolution 304, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. PACE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1962) to amend the cotton and wheat marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: Strike out all after the enacting clause of the bill S. 1962 and insert the provisions of the bill H. R. 5738 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which the bill (H. R. 5738) was passed were vacated, and that bill was laid on the table.

Mr. PACE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill H. R. 5738.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

COMMITTEE ON RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CORPORATE MANAGEMENTS' RESPONSIBILITY

Mr. CRAWFORD. Mr. Speaker, the world, as you all know, is moving toward socialism. This is the direct result of two world wars which have played havoc with the economies of a great many nations, including our own.

This trend toward socialism does not find its source in the fact that socialism is the answer to any economic problem. We know for a fact that it does not, and history proves it also. This trend stems from the fact that people generally always look for the easy way out, and certain politicians always stand ready to capitalize on this human characteristic. They will promise most anything and everything to every group in order to gain power.

This is true of the United States, as well as in other countries. Even though socialism is proving a failure in Europe, we in the United States are being told that we should adopt socialistic practices and policies.

I say that it is time that every man in Congress who has a scrap of statesmanship in his make-up stand up and defend our free-enterprise system. Our own experiences have shown that it is the best system man has ever devised.

And I call on every other citizen of the country to do the same. I call particularly on the heads of corporations to stand with us here in Congress in making a determined fight to protect and preserve this system of ours.

These corporations, their officials, and their boards of directors are supposed to

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PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

Vol. 95 WASHINGTON, THURSDAY, AUGUST 4, 1949 No. 141

Senate

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert J. McCartney, LL. D., director of the Chicago Sunday Evening Club, Chicago, Ill., offered the following prayer:

O Thou who knowest the way that we take, may we remember that the steps of a good man are ordered of the Lord. As Thy servants address themselves to the crowded calendar of another day wilt Thou fulfill to each one the promise "as thy days so shall thy strength be." If any amongst us are pressed down with some personal anxiety, or private sorrow, or distress of soul, encourage us to cast all our cares over upon Thee, Thou great burden bearer.

And now let Thy special blessing rest upon the Presiding Officer of this Chamber, upon the President of the United States and his household, and upon those into whose hands Thou hast placed the leadership of the people in this great hour. God save the State. We ask this in the name of Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 2, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 3, 1949, the President had approved and signed the act (S. 1742) removing certain restrictions imposed by the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2290) to provide for cooperation by the Smithsonian Institution with State educational and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams.

The message further announced that the House had passed a bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 111. An act for the relief of Mrs. Pearl Shizuko Okada Pape;

S. 317. An act for the relief of Margita Kofler;

S. 905. An act for the relief of John Sewen;

S. 1076. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended;

S. 1745. An act to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system; and

H. J. Res. 327. Joint resolution making an additional appropriation for control of emergency outbreaks of insects and plant diseases.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Butler	Connally
Anderson	Byrd	Cordon
Baldwin	Cain	Donnell
Brewster	Capehart	Douglas
Bricker	Chapman	Downey
Bridges	Chavez	Dulles
Eastland	Kefauver	Neely
Ecton	Kem	O'Conor
Ellender	Kerr	O'Mahoney
Ferguson	Kilgore	Pepper
Flanders	Knowland	Robertson
Frear	Langer	Russell
Fulbright	Lodge	Saltonstall
George	Long	Schoeppel
Gillette	Lucas	Smith, Maine
Graham	McCarran	Smith, N. J.
Green	McCarthy	Sparkman
Gurney	McClellan	Stennis
Hayden	McFarland	Taft
Hendrickson	McGrath	Taylor
Hickenlooper	McKellar	Thomas, Okla.
Hill	McMahon	Thomas, Utah
Hoey	Magnuson	Thye
Holland	Malone	Tobey
Humphrey	Martin	Tydings
Hunt	Maybank	Vandenberg
Ives	Miller	Watkins
Jenner	Millikin	Wherry
Johnson, Colo.	Morse	Wiley
Johnson, Tex.	Mundt	Williams
Johnston, S. C.	Myers	Young

Mr. MYERS. I announce that the Senator from Montana [Mr. MURRAY] is absent on public business.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate may present petitions and memorials, introduce bills and joint and other resolutions, and place routine matters in the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF COTTON AND WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which was to strike out all after the enacting clause and insert:

That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of 21,000,000 acres. Such proclamation shall be made not later than November 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within 30 days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the 5 years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of 22,500,000 acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, 79th Cong.) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over 1,000,000 acres and less than 50 percent of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, 79th Cong.) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of 22,500,000 acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of 22,500,000 acres) shall not be less than the larger of (1) 95 percent of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 percent of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than 22,500,000 acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to 22,500,000 acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton for 1950, 1951, and 1952 shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the four calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, and for each year thereafter shall be apportioned to counties in the State on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed: *Provided*, That the State committee may reserve not to exceed 10 percent of its State acreage allotment (15 percent if the State's 1948 planted acreage was in excess of 1,000,000 acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, 79th Cong.) in any one of the 3 years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) 5 acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, 79th Cong.) to cotton in any year of such 3-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each form under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, 79th Cong.) to cotton during any of the preceding 3 years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, 79th Cong.) in any such year.

"(3) The county committee may reserve not in excess of 10 percent of the county allotment (15 percent if the State's 1948 planted cotton acreage was in excess of 1,000,000 acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, 79th Cong.) during any of the 3 calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 percent of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding 15 acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 percent of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for

any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided*, That no allotment shall be established for any such farm unless application therefor is filed within 3 years after acquisition of such farm by the applicant or within 3 years after the enactment of this act, whichever period is longer: *And provided further*, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the productoin of cotton, crop rotation practices, and the soil and other physcial facilities affecting the production of cotton. Allotments established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determine that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 percent of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty and the amount of cotton to be stored or delivered pursuant to this section to postpone or avoid payment of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty or storage computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The Secretary shall issue regulations under which the farm marketing excess of cotton may be stored. Upon failure to so store the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess computed as provided in this section shall be paid by the producer.

"(d) Subject to the provisions of section 347, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored, except depletion resulting from some cause beyond the control of the producer or from substitution of cotton authorized by the Secretary.

"(e) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"AUTHORIZED REDUCTIONS IN STORAGE

"SEC. 347. (a) If the planted acreage of the then current crop of cotton for any farm is less than the farm acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm-acreage allotment exceeds the acreage planted to cotton.

"(b) If the actual production of the acreage of cotton on any farm on which the acreage of the commodity is within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of cotton from any previous crop stored to postpone or avoid payment of penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided*, That the reduction under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment, less any reduction made under subsection (a), is in excess of the actual production of the acreage planted to cotton on the farm.

"LONG-STAPLE COTTON

"SEC. 348. (a) Unless marketing quotas are in effect under subsection (b) of this section, the provisions of this part shall not apply to cotton the staple of which is 1⅛ inches or more in length.

"(b) Whenever during any calendar year the Secretary determines that the total supply of the cotton specified in subsection (a) of this section for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 percent, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year: *Provided*, That the Secretary may exempt from such quota any variety or kind of such cotton if he finds that the total supply does not exceed the normal supply thereof by more than 8 percent. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of such long-staple cotton adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of the act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such long-staple cotton."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: "'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 percent in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 percent of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the

beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and."

SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following new matter: *"Provided further,* That the allotment established for any State for any year subsequent to 1949 shall be not less than 60 percent of the acreage of peanuts harvested for nuts in the State in 1948 and any additional acreage so required shall be in addition to the national acreage allotment and the production from such acreage shall be in addition to the national marketing quota."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

(B) 50 percent of—

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948.

adjusted in the same ratio as the national average seedings for the production of wheat during the 10 calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided,* That no acreage shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

Mr. THOMAS of Oklahoma. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. HOEY, Mr. ANDERSON, Mr. AIKEN, Mr. YOUNG, and Mr. THYE conferees on the part of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PAN AMERICAN UNION

A letter from the Secretary of State, transmitting a draft of proposed legislation for the relief of the Pan American Union (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF TRAVEL EXPENSE ACT OF 1949

A letter from the Secretary of Agriculture, transmitting a draft of legislation to amend section 3 of the Travel Expense Act of 1949 (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

PETITIONS

Petitions, etc., were laid before the Senate, and referred as indicated.

By the VICE PRESIDENT:

Resolutions adopted by the Associated Townsend Clubs of Hillsborough County, the Associated Townsend Clubs of Dade County, and the Miami Townsend Club, No. 1, of Miami, all in the State of Florida, praying for the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. DOUGLAS, from the Committee on Labor and Public Welfare:

H.R.3191. A bill to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employes of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes; with amendments (Rept. No. 836).

DENTAL CARE FOR PERSONNEL OF ARMY AND AIR FORCE—REPORT OF A COMMITTEE

Mr. HUNT. Mr. President, from the Committee on Armed Services I report an original bill to provide more efficient dental care for the personnel of the United States Army and the United States Air Force, and I submit a report (No. 835) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2380) to provide more efficient dental care for the personnel of the United States Army and the United States Air Force, was read twice by its title, and ordered to be placed on the calendar.

REORGANIZATION PLANS—REPORTS OF A COMMITTEE

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following reports:

Reorganization Plan No. 3 of 1949—Post Office Department (Rept. No. 837);

Reorganization Plan No. 4 of 1949—Transferring the National Security Council and the National Security Resources Board (Rept. No. 838);

Reorganization Plan No. 5 of 1949—United States Civil Service Commission (Rept. No. 839); and

Reorganization Plan No. 6 of 1949—Designated to strengthen the administration of the United States Maritime Commission by making the Chairman the executive and administrative officer of the Commission and vesting in him responsibility for the appointment of its personnel and the supervision and direction of their activities (Rept. No. 840).

EXEMPTION OF INDEPENDENT PRODUCERS AND GATHERERS OF NATURAL GAS—EXCHANGE OF LETTERS BETWEEN BUREAU OF THE BUDGET AND SENATOR JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. On June 24 of this year I reported, from the Committee on Interstate and Foreign Commerce, Senate bill 1498, and it was given Calendar No. 563.

Yesterday I received from Mr. Elmer B. Staats, Acting Director of the Bureau of the Budget, a letter saying that this bill is not in accord with the President's program. I ask unanimous consent to have his letter to me, and my reply thereto, printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
Bureau of the Budget,
Washington, D. C., August 1, 1949.

Hon. EDWIN C. JOHNSON,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: The President has directed me to advise the interested agencies that enactment of S. 1498, "To amend the Natural Gas Act approved June 21, 1938, as amended," would not be in accord with his program. Although the Bureau has not been requested by your committee to comment on this measure, I assume you would wish to be informed of the President's position, particularly in view of the present status of this bill.

You may also be interested to know that the President has stated that should some legislation be deemed necessary in this area, he would have no objection to the enactment of a bill along the lines of the measure endorsed by the majority of the Federal Power Commission as an amendment to H. R. 1758, a bill substantially similar in pur-

Jessup's committee would be a sacrifice and not an honor, such as Walter Judd, William C. Bullitt, Roscoe Pound, Representative Vorys, Henry Van Dusen, Maj. Gen. David Barrows, etc., under the chairmanship of General MacArthur instead of Jessup? I'm sure you will agree.

AMBASSADOR PHILIP C. JESSUP

Over a period of years up to 1944, Professor Jessup was successively chairman of the American Council of the Institute of Pacific Relations, chairman of the Pacific council of same, and vice chairman of the American council and concurrently chairman of the research advisory committee of the same. In these capacities he was in close association with Mr. E. C. Carter, Owen Lattimore, Maxwell S. Stewart, Frederick Vanderbilt Field, Guenther Stein, Anna Louise Strong, Harriet Lucy Moore, Theodore A. Bisson, Andrew Grajdanzev, and other left wingers cited as Communist or pro-Communist by the Un-American Activities Committee and other governmental bodies.

Under Professor Jessup's direction, in the Far Eastern Survey of July 14, 1943, the first blast in the campaign against the Nationalist Government of China was published. Referring to what it called the two Chinas it said, in an article signed by T. A. Bisson: "One is now generally called Kuomintang China; the other is called Communist China. However, these are only party labels. To be more descriptive, the one might be called feudal China; the other democratic China."

This theme song of democratic Communist China and feudal, Fascist, reactionary Nationalist China was taken up the following month by the Daily Worker, the New Masses, and others. Although the Chinese Institute of Pacific Relations was associated with the American IPR and maintained a representative in New York, he had not been consulted and first learned of this blast against his government when he received his copy by mail. He immediately protested to Mr. E. C. Carter, who referred him to Professor Jessup as the responsible official. Professor Jessup agreed to print an answer by the Chinese representative (now Chinese delegate on the UN) and did so in August. Before publication, however, he submitted this answer to Bisson, whose answer to the answer was printed in adjoining columns.

Professor Jessup must therefore be honored by our State Department as the initiator of the smear campaign against Nationalist China and Chiang Kai-shek, and the originator of the myth of the democratic Chinese Communists. An amusing sidelight on Bisson and Jessup's knowledge of China is the fact that feudalism ended in China about 200 B. C.

Professor Jessup's connections with Alger Hiss also exhibit his slant. He was deputy to Alger Hiss as Secretary General at the UN in San Francisco in 1945; he is at present a fellow trustee of Hiss on the IPR and Carnegie endowment boards. To top it all he appeared as a character witness for Hiss at his trial in New York last June, although all the data and evidence on Hiss in the FBI files was available to him.

Other Communist fronts sponsored by Professor Jessup (some listed by Attorney General Tom Clark as subversive) included the American-Russian Institute; the National Emergency Conference (organized to protest the deportation of aliens who advocated changing our form of government, 1939); the American Law Students Association; National Emergency Conference for Democratic Rights; and the Coordinating Committee To Lift the Embargo (on Spain); signer of letter in the New York Times, February 16, 1946, urging the cessation of atomic-bomb production.

When charges of Communist-line activities were made against the IPR in 1947 he signed a letter denying the charges and questioning the motives behind such charges. When the question of appointing a committee to investigate came before a membership meeting, he voted against any investigation. As recently as last spring he presided at a testimonial dinner to E. C. Carter to honor him for 25 years' leadership of the pro-Communist IPR.

All this may not prove anything one way or the other. That's why I'm asking you.

Last month in Formosa Chiang Kai-shek said to me: "Tell the American people that if we defeat the Communists you will have 450,000,000 friends in China. If the Communists win, you will have 450,000,000 enemies." Which does the State Department and Professor Jessup really want?

I await your answers with interest.

Sincerely,

ALFRED KOHLBERG.

Federal Controls Follow Federal Dollars

EXTENSION OF REMARKS
OF
HON. ERRETT P. SCRIVNER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 4, 1949

Mr. SCRIVNER. Mr. Speaker, the following editorial from the Kingman (Kans.) Journal clearly and concisely points to the fact that when Federal dollars go out Federal controls can be expected to follow, sooner or later.

It also shows what happens when farming activities are directed from Washington.

IT HAD TO COME

The expected has happened. Although it was announced a month ago that on account of the poor wheat yield this year, no acreage allotment would be necessary, last week Secretary of Agriculture Charles F. Brannan announced an allotment of wheat acreage to be seeded this fall. The reduction for Kansas as a whole is 17 percent, or a little more than 2,000,000 acres. For Kingman County the reduction will be about 45,000 acres below the crop harvested this year.

It has been quite evident for some time that if the price support on wheat is to be continued, there must be some control over production. It makes no difference what line of business it is, if a profit is guaranteed, everybody will increase production and it is bound to collapse. There are some who claim that the real reason back of the so-called "planned economy" is so that the Government will have an excuse to exercise control. Whether this statement is right or wrong, any person or community or State which accepts Federal aid of any kind is going to have to surrender some rights to a bureau at Washington and will be told what and what not to do.

This allotment order comes after most of the ground in this section had been plowed for wheat this fall. It will be necessary that the surplus ground be planted to some other crop or otherwise worked to prevent it from blowing next winter. In a way it may be beneficial in causing more diversification. This order could have been issued earlier but for the stubbornness of Secretary Brannan in trying to foist his visionary subsidy plan on the country, but which Congress threw out the window. Brannan even put on the pressure to be allowed to make a trial run of his plan on two or three products, but again Congress refused to let the camel get its nose under the tent. However, we have made some progress since the halcyon days of Henry Wallace. Henry let the wheat grow until the next spring and then paid to have it plowed under.

F. J. C.

Repeal the Excise Tax on Furs and Create Employment and Save an Industry

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 4, 1949

Mr. MULTER. Mr. Speaker, the following letter received by me from Ben Tucker, dated August 2, 1949, is a very fine resumé of the ill effects caused by continuance of the wartime excise taxes on furs. Not only is the retail industry affected but the trappers and all of the allied industries are edversely affected.

I again urge the Members to sign my Discharge Petition No. 6 to bring before the House my bill H. R. 2324 for the repeal of the wartime excise taxes on retail sales.

BEN TUCKER'S HUDSON BAY FUR CO.,
Brooklyn, N. Y., August 2, 1949.

Hon. ABRAHAM J. MULTER,
House Building, Washington, D. C.

MY DEAR CONGRESSMAN: As president of the Metropolitan Fur Retailers Association of New York, I personally, and in behalf of the members of this group, wish to take this occasion to commend you for your valiant endeavors aimed at repealing the wartime excise tax upon retail sales of furs and other articles.

In particular, we earnestly support your initiation of a petition in the House of Representatives, of which you are an esteemed and leading Member, to discharge the Committee on Ways and Means from further consideration of your bill in order to bring it before the House for consideration. I have no doubt that once the bill is brought before the full membership of the House, it will be passed.

Such passage would culminate the long efforts of the Metropolitan Fur Retailers Association to get the unfair tax erased.

The tax has long been economically unsound.

As president of the association, I pioneered in the effort to get the tax erased from the books. In September 1944, 5 months after the imposition of the levy as a brake on consumer purchases, the association's many fur merchants, particularly those in Brooklyn, petitioned me to seek redress in Washington, which I did then and on subsequent occasions.

The unemployment situation in our fur goods industry has deteriorated so much that it now is worse than in any of the other industries affected by the stranglehold of the unfair excise tax. That is why we seek your aid, and you may make any use of this letter as you see fit.

Latest figures reveal that there has been a 50-percent reduction in employment in the fur-goods industry in the past year, and this increase will grow progressively worse unless the tide is turned soon.

The facts are these: Unemployment was 20 percent in 1947, and 30 percent in 1948. Besides, the fur industry normally works a 35-hour week, but in no one recent period has it achieved this level. There is much work-sharing, which decreases the rolls of the permanently unemployed. The average weekly work hours totaled about 31.1 during the past year. Almost all fur manufacturing firms have had long periods of lay-off recently. Many have gone out of business.

Conversely, employment in the manufacturing and marketing of furs would increase by 53 percent with the removal of the excise tax, according to a detailed, conservative study made by the American Management

Counsel, a group of economists who engage in business surveys for industry and government. Other industry-wide surveys have placed the figure at 75 percent.

The detailed study also indicates that some 250,000 farmer-trappers will not be able to engage in their trade if the tax stays on the books.

The time is long past due to reverse this unhealthy economic unemployment trend, and fast. Repeal of the fur excise tax now would bring into the market immediately buyers of wholesale and retail establishments who would anticipate the consumer demands that would arise in October, November, and December of this year. But delay in erasing the tax would knife the benefits that would accrue this year. Thus it can readily be seen that continuation of the excise-tax imposition is unprofitable for everyone, including the Government, and likewise is both unwise and unjust. The extent of the recession in the industries affected is clearly revealed by the sharp reduction in the amount of excise tax receipts lately.

The argument that removal of the excise tax would deprive the Government of revenue that could not be replaced just does not make sense. It does not add up when the full facts are ascertained. The stimulus from increased business activity not alone would more than make up for the loss of the excise-tax revenue, but at the same time would make the country's economic situation more stable and healthy. When unemployment arises, mental depression and fear grow in the minds of a great many persons, and the economic ball rolls downward faster and faster as most of us pull in our horns, fearing to expand here and cutting down there.

Clearly this, then, is the pattern for the great American recession, unless the trend is reversed by erasing the excise taxes. The formula is so simple that it adds up to common sense. Do we want make-work, a new WPA, or do we wish to give the American economy its needed shot in the arm to reverse the downward trend?

People who do not work cannot buy goods, and such inability to make consumer purchases reflects in ever-widening circles into all industries and trades, from United States Steel to the corner grocery store. It is a well-known economic axiom that what affects one business ultimately affects all.

On the other hand, if all business picks up, the Government will get much more in taxes than the mere excise tax dribble it receives now.

May I please point out again that you may make any use of this letter as you see fit.

Very respectfully yours,

BEN TUCKER.

Cotton Acreage Allotments and Marketing Quotas

SPEECH
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 3, 1949

The House in Committee of the Whole House on the State of Union had under consideration the bill (H. R. 5738) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment is contrary to all the laws we have enacted dealing with acreage allotments and marketing quotas. It has been suggested many, many times that allotments should be made to individuals rather than to farms, yet it was never considered feasible and certainly it is not now feasible to make these acreage allotments to individuals, even though they be honorably discharged members of the armed forces, because when you do that you put a premium on the allotments which will be controlled by individuals. You can easily visualize numerous tenant farmers to whom an acreage allotment has been given selling the acreage allotments to some fellow who is going around buying them up and bringing them onto his farm. It just seems to me that this is a ridiculous sort of proposition.

I said in opening this debate that I doubted if ever in the history of this Congress a single subcommittee worked as hard on any one proposition as the gentleman from Georgia [Mr. PACE] and the other members of this special subcommittee have worked on this bill. They sought information throughout the length and breadth of America, they traveled on a bus during the Eightieth Congress, and then came back here in January, and on January 7 they started to consider cotton legislation. Then they came out with this bill.

I regret very much that our beloved and distinguished colleague, the ranking minority member of the committee, the gentleman from Kansas [Mr. HOPE] is not able to be with us today, because he is at home on account of the death of his father.

But the gentleman from Kansas [Mr. HOPE] was a member of the subcommittee and devoted many long hours to the consideration of this measure. It has his support. He voted for it in subcommittee and he voted for it in the full committee. Were he here today I am sure he would be here defending it at this moment. But here are 27 conscientious men, members of our Committee on Agriculture seeking information everywhere that information could be obtained, calling upon Members of Congress to come forth with their suggestions. Many Members of Congress did respond.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. COOPER. I merely want to state for the record that the gentleman from Georgia [Mr. PACE] and his subcommittee held an extensive hearing in Tennessee. They did me the courtesy of inviting me to sit with them throughout that hearing. I secured the attendance of some 50 or 60 witnesses from various counties of my district. They went into the question very thoroughly and sympathetically. They conducted the hearing very commendably on this very important subject.

Mr. COOLEY. I thank the gentleman.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ABERNETHY. I would like to add to that that I attended those hearings and similar hearings were conducted in Texas at two points, as well as in Mississippi and Georgia.

Mr. COOLEY. Mr. Chairman, it seems to be perfectly reasonable to ask the House to accept this bill as it has been reported. I do not suppose a bill more technical than this has ever been reported by the House Committee on Agriculture. However, it is technical because we have tried to be fair to every section of the country.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. I would like to say that it was hard enough for the subcommittee to get together on this without trying to interfere with it at this time. I think the amendment should be voted down and the bill should be passed as it has been reported by the committee.

Mr. COOLEY. I appreciate the gentleman's contribution. May I say before I conclude I understand there are a series of amendments to be offered. The author of this amendment has some other amendments. I do not want to complain. He has a perfect right to ignore the Committee on Agriculture, but it does seem to me that I am justified in expressing a sincere regret that the gentleman was not able to come into the committee room to give to the committee the benefit of his thinking on this important subject. I certainly am not questioning his sincerity or impugning his motives; I am merely expressing regret that the gentleman did not come before our committee.

Need for Segregation in Prisons

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 4, 1949

Mr. KEATING. Mr. Speaker, under leave to extend my remarks, there are included below, editorials from the Mobile Press-Register of Mobile, Ala., and the Gloversville (N. Y.) Herald, expressing approval of legislation designed to provide separate treatment for youthful offenders from that accorded hardened criminals who violate Federal statutes:

[From the Mobile (Ala.) Press-Register of June 11, 1949]

NEED FOR SEGRETATION IN PRISONS

The advisability of segregating youthful first offenders from hardened adult criminals has been frequently and widely stressed in prison reform discussions.

Representative KENNETH B. KEATING, Republican, of New York, is sponsoring a bill aimed at establishing greater segregation in Federal prisons. Without undertaking at the moment to give an opinion on the practicability of Mr. KEATING's particular plan, we call attention to some of his observations about crime among the young and the treatment of youthful offenders.

"The period in life between 16 and 21 years of age is a focal source of crime," he said. "Thus, although those in this age bracket only constitute 15 percent of our population above the age of 15, they are responsible for about 36 percent of our robberies, 42 percent of our burglaries, and 53 percent of our automobile thefts. * * *

gentlewoman from Ohio [Mrs. BOLTON] is shown as having voted nay. This is an error inasmuch as the gentlewoman is in Europe on committee business and could not have possibly voted. I therefore ask unanimous consent that the RECORD be corrected to show that she did not vote on that roll call.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. FELLOWS asked and was given permission to extend his remarks in the RECORD and include a statement by the National Potato Council.

Mr. HÉBERT asked and was given permission to extend his remarks in the rates. The number of that bill is H. R. 2040. Inadvertently it was printed as H. R. 2404. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LOWER SOURIS NATIONAL WILDLIFE REFUGE

Mr. THOMPSON. Mr. Speaker, I call up the conference report on the bill, H. R. 3751, to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota, and ask unanimous consent that the statement of the

fellow Members will study the matter so that they may be as enthusiastic about this plan as I am.

Today, in order to clarify the Lucas bill, H. R. 4272, which I introduced on April 14, I am introducing a new bill. My purpose in so doing is to include all the exemptions which the gentleman from Michigan [Mr. LESINSKI] has put in his new bill. In my first bill I had included only those exemptions in the present act, but in view of the fact that the gentleman from Michigan [Mr. LESINSKI] desires to exclude from the coverage of the act other occupations, I very willingly accept his exclusions and am writing them into my new bill.

I reiterate my plea to the Members of this House to study this legislation and

Cotton Acreage Allotments and Marketing Quotas

SPEECH

OF

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OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

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Mr. Chairman, this amendment is contrary to all the laws we have enacted Georgia [Mr. PACE] and his subcommittee held an extensive hearing in Tennessee. They did me the courtesy of inviting me to sit with them throughout that hearing. I secured the attendance of some 50 or 60 witnesses from various counties of my district. They went into the question very thoroughly and sympathetically. They conducted the hearing very commendably on this very important subject.

Mr. COOLEY. I thank the gentleman.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ABERNETHY. I would like to add to that that I attended those hearings and similar hearings were conducted in Texas at two points, as well as in Mississippi and Georgia.

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House of Representatives

FRIDAY, AUGUST 5, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. James P. Wesberry, LL. D., offered the following prayer:

Once again, we come to Thee, gracious Heavenly Father, in behalf of the Nation that we love. May it please Thee to put down and defeat the forces in our land that are godless and destructive in purpose and plan. Put Thou to flight all enemies who would rob us of our God-given and blood-bought rights of freedom and independence. May the Star-Spangled Banner, with its stars of light, its bars of white, and its red of our Nation's sacrifice ever be an emblem to the people of our land of that which is sacred and precious to our hearts. Long may the old red, white, and blue flow in triumph over this land of the free and home of the brave. This we ask in the name of Him who laid down His life in sacrificial love that through Him the world might be saved. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

AGRICULTRAL ADJUSTMENT ACT OF 1938 AS AMENDED

Mr. PACE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, with House amendments thereto, insist on the House amendments and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, PACE, POAGE, HOPE, and AUGUST H. ANDRESEN.

CORRECTION OF ROLL CALL

Mr. BROWN of Ohio. Mr. Speaker, on roll call No. 158 appearing on page 10995 of the RECORD for August 4, 1949, the gentlewoman from Ohio [Mrs. BOLTON] is shown as having voted nay. This is an error inasmuch as the gentlewoman is in Europe on committee business and could not have possibly voted. I therefore ask unanimous consent that the RECORD be corrected to show that she did not vote on that roll call.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. FELLOWS asked and was given permission to extend his remarks in the RECORD and include a statement by the National Potato Council.

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and include an article entitled "Where Do We Go?" notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $225.50 to print.

SPECIAL ORDER GRANTED

Mr. CANFIELD asked and was given permission to address the House today for 15 minutes, following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

Mr. WILLIAMS asked and was given permission to address the House on Monday next for 30 minutes, following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial published in the Polish-American Journal by Editor Lesnicki.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD.

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the RECORD and include an article by Gen. Robert L. Eichelberger to be delivered at the American Legion convention at Columbus, Ohio, on Saturday.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include an article.

CORRECTION OF THE RECORD

Mr. RANKIN. Mr. Speaker, on yesterday I made a talk about a bill that I introduced, and a petition that I put in the well to bring it to the floor of the House, to eliminate the one-way freight rates. The number of that bill is H. R. 2040. Inadvertently it was printed as H. R. 2404. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LOWER SOURIS NATIONAL WILDLIFE REFUGE

Mr. THOMPSON. Mr. Speaker, I call up the conference report on the bill, H. R. 3751, to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 4, 1949.)

Mr. THOMPSON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri.

There was no objection.

[Mr. CHRISTOPHER addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. LUCAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MINIMUM WAGE

Mr. LUCAS. Mr. Speaker, I am tremendously encouraged to hear so many Members of this House speak on this floor in favor of raising the minimum wage. I am a stanch advocate of such a proposal. As I am sure the Members of this House well know, I have introduced a bill for that purpose and I have tied the minimum wage to the cost-of-living index. This action is receiving acclaim throughout the land. I hope that my fellow Members will study the matter so that they may be as enthusiastic about this plan as I am.

Today, in order to clarify the Lucas bill, H. R. 4272, which I introduced on April 14, I am introducing a new bill. My purpose in so doing is to include all the exemptions which the gentleman from Michigan [Mr. LESINSKI] has put in his new bill. In my first bill I had included only those exemptions in the present act, but in view of the fact that the gentleman from Michigan [Mr. LESINSKI] desires to exclude from the coverage of the act other occupations, I very willingly accept his exclusions and am writing them into my new bill.

I reiterate my plea to the Members of this House to study this legislation and

to join with me in bringing out a fair bill which will bring stability into our present economy.

EXTENSION OF REMARKS

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LUMBER INDUSTRY UNEMPLOYMENT

Mr. MACK of Washington. Mr. Speaker, many lumber mills in the States of Oregon and Washington are closed down entirely, while others are operating on curtailed production schedules. As a result great unemployment prevails in the lumber industry of these two States.

One of the principal reasons for this is that Great Britain, using ECA dollars our American taxpayers give to her, buys lumber almost exclusively in Canada.

I received a statistical report this morning from the reliable Pacific Lumber Inspection Bureau, Inc., which reveals how completely the British in their ECA purchases are discriminatng against United States lumber producers.

This report shows that British Columbia mills during the first 6 months of this year shipped 218,057,217 feet of lumber to the United Kingdom, while the lumber mills of Oregon and Washington, America's two greatest lumber-producing States, shipped a combined total of only 7,800,704 feet to the United Kingdom.

This means that of all lumber orders placed with American ECA dollars by the British that 97 percent were allocated to Canada and only 3 percent of the orders to United States mills. United States lumber mills are getting fewer lumber orders from the British now, at a time when the American people are donating billions of dollars to them, than we did before ECA was started.

I would like to suggest to the British that if they continue this selfish policy of discrimination against American industries they inevitably will undermine and and endanger the whole ECA program for themselves and other nations as well.

Certainly the American taxpayers cannot and will not continue to give huge sums to Europe if American dollars are to be employed to destroy the prosperity of American industry and thereby deprive American workers of their jobs.

AMENDING THE NATURAL GAS ACT

Mr. CROSSER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1758, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

Mr. HESELTON. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Chairman, with respect to the pending bill, I call the attention of my colleagues, particularly from New York City, to the fact that in 1950 we, too, shall be using natural gas very extensively in New York. Some 60,000,000,000 cubic feet annually will be mixed with ordinary gas now manufactured in New York City, and piped through the gas mains of New York.

My feeling about this bill causes me to oppose it, and I may say that I support the recommendation of my colleague from Massachusetts [Mr. HESELTON], that this bill be recommitted to the committee for study not only of this source of energy but of other sources of energy. In New York City which is a situation typical of other cities, there are gas companies which are distributing this gas and will distribute it together with manufactured gas. Those are public utilities. This presents a unique situation, because here we have a source of energy coming from a place distant from New York City and piped through public utility lines in New York City. Nevertheless, if the outlets are completely controlled, as they are, there is no competition in those. You have no such situation as you have in oil and gasoline, where there are many service stations in a particular community which can compete with each other. Here you have a public utility as the end result. Hence I believe that in order to be consistent and follow out what we understand to be the necessary law with respect to public utilities, that the rates should be controlled, you must start here at the source. The fact that the source is in another State, should not make any difference. The theory of regulation remains the same, when the end result is that the distributing company has a monopoly and the consumer must, whether he likes it or not, pay the prices that the public utility charges.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. KEOGH. I think I can assure my colleague from New York City that I and, I am sure, the other Members from New York on our committee, had in mind always that New York City expects to be receiving natural gas this next year. I am sure the gentleman from New York will agree, even though we dislike to, that New York City is not the entire United States.

[Mr. KEOGH addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BIEMILLER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following members failed to answer to their names:

[Roll No. 161]

Andresen, August H.	Gross	Perkins
Aspinall	Hall, Edwin Arthur	Pfeifer, Joseph L.
Bailey	Halleck	Pfeiffer, William L.
Barden	Hays, Ohio	Phillips, Tenn.
Baring	Hedrick	Plumley
Bates, Ky.	Heffernan	Potter
Bentsen	Heller	Poulson
Blackney	Hinshaw	Powell
Bland	Hoffman, Ill.	Quinn
Bolton, Ohio	Hope	Ribicoff
Bonner	Hull	Riehlman
Buckley, N. Y.	Jennings	Rivers
Bulwinkle	Johnson	Rooney
Burnside	Kearns	Roosevelt
Carnahan	Kee	Sadlak
Cavalcante	Kelley	Sasscer
Celler	Kennedy	Scott, Hardie
Chatham	Kirwan	Scott, Hugh D., Jr.
Chudoff	Klein	Secrest
Clemente	Kruse	Short
Clevenger	LeCompte	Sikes
Coudert	Lichtenwalter	Smith, Ohio
Davenport	McGrath	Staggers
Deane	McGregor	Stanley
Dingell	McKinnon	Stigler
Dolliver	Macy	Sutton
Eaton	Marcantonio	Tackett
Elston	Mason	Thomas, N. J.
Engle, Calif.	Michener	Towe
Fogarty	Miller, Calif.	Wadsworth
Ford	Morrison	Walsh
Frazier	Morton	Welch, Calif.
Gilmer	Murphy	Werdel
Gordon	Nicholson	Wolcott
Gore	Nixon	Wood
Gorski, Ill.	Noland	Woodhouse
Granger	Passman	
Gregory	Patman	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 1758, and finding itself without a quorum, he had directed the roll to be called, when 320 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its session.

Mr. HESELTON. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, apparently the only justification for not amending the Natural Gas Act, and for permitting the Federal Power Commission to assume jurisdiction over the intrastate operation of the production and gathering of natural gas at one end of a pipe line, and the distribution of gas at the other end, is the fact that the product moves in interstate commerce and that a possible rise in price of the production makes its control a matter of great public interest. If this reasoning is correct then a potential rise in the price of any product would be sufficient justification for the control of that industry by some Washington bureau; but more particularly applied to products producing heat and power, this would apply directly and immediately to coal or oil. They are all used for substantially the same purpose. The fallacy of such an argument in a country of free enterprise is evident.

Permit me to state further that trying to make natural gas production within itself a utility is not only obviously unfair but it is so absolutely impractical. For instance, there are very few who go out

81st Congress } HOUSE OF REPRESENTATIVES { Report
1st Session } { No. 1259

COTTON ACREAGE ALLOTMENTS AND MARKETING QUOTAS

August 11, 1949.—Ordered to be printed

Mr. Cooley, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1962]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:*

"*NATIONAL MARKETING QUOTA*

"*Sec. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton.*

The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: Provided, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"*REFERENDUM*

"*SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: Provided, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.*

"*ACREAGE ALLOTMENTS*

"*SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.*

"*(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.*

"*(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:*

"*(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be*

included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: Provided, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts

picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: Provided, however, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: Provided, That not less than 30 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f)

of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: Provided, That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: And provided further, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Except to the extent that the production on any such farm has contributed to the county and State allotments, any allotment established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that

planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determines that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: Provided, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

"LONG-STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this Part shall not apply (1) to cotton the staple of which is one and one-half inches or more in length or (2) to extra long staple cotton designated by the Secretary which is produced from pure strain varieties of American Egyptian, Sea Island or other similar types of extra long staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable and when such varieties are produced in designated irrigated cotton-growing regions of the United States or other areas designated by the Secretary as suitable for the production of such varieties. The exemptions authorized by this subsection shall not apply to any such cotton unless ginned on a roller-type gin.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of any one or more of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such variety or varieties of cotton during the marketing year beginning in the next calendar year.

"The Secretary shall also determine and specify in such marketing quota proclamation the amount of the national marketing quota in terms of the quantity of such extra long staple cotton adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of this Act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such extra long staple cotton.

"INELIGIBILITY FOR PAYMENTS

"SEC. 348 (a). Any person who knowingly plants cotton on his farm in any year in excess of the farm acreage allotment for cotton for the farm for such year under section 344 shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended.

"(b) All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted to the farm under section 344 for such year."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: " 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 per

centum in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such markcting year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Scction 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment establishcd for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

Sec. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

Sec. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(c) The national acreage allotment shall be apportioned among the Statcs on thc basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national allotment is determined, with adjustmcnts for trends, abnormal conditions of production, and the State pcanut acreage allotment for the crop immediately preceding thc crop for which the allotment hereunder is established: Provided, That the allotment established for any State shall be not lcss than (1) the allotmcnt established for such State for the crop

produced in the calendar year 1941, or (2) 60 per centum of the acreage of peanuts harvested for nuts in the calendar year 1948, whichever is larger: Provided further, That if the national acreage allotment in any year is less than 2,100,000 acres, then the allotment for each State after being calculated as hereinabove provided shall be reduced by the same percentage as the State allotment (as so calculated) bears to the national allotment: And provided further, That the national acreage allotment for the crop year 1950 shall be not less than 2,100,000 acres."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 per centum of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

(B) 50 per centum of—

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national average seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: Provided, That no acreage shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

And the House agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House of Representatives.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
EDWARD J. THYE,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to recommend that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment.

The conference substitute in the main is the same as the House amendment. Except for clarifying or minor changes, the differences between the conference substitute and the House amendment are explained below:

(1) The House amendment required the Secretary of Agriculture to proclaim the need for a national marketing quota not later than November 15 of the calendar year in which such determination was made. The conference substitute changes the date to October 15.

(2) The House amendment provided for the apportionment of the State allotment among the counties in the State on the basis of the acreage planted to cotton during a period of four calendar years for the years 1950, 1951, and 1952, and thereafter on the basis of the acreage planted to cotton during the preceding five years (excluding 1949). The conference substitute provides that the State acreage allotment shall be apportioned among the counties in the State on the same basis as to years and conditions as the national allotment is apportioned to the States.

(3) The House amendment authorizes the establishment of a State reserve to be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms. The conference substitute authorizes the State reserve to be used for making adjustments in county allotments "for trends in acreages" as well as for the purposes specified in the House amendment.

(4) The House amendment made provision for the establishment of allotments for any cotton farm which had been acquired by the Federal or State government for nonfarming purposes, and which is being returned to agricultural production. Provision was also made for the establishment of allotments for farms within the State which have been acquired by persons whose cotton farms have been or are being acquired by the Federal or State government for public purposes. Under the House amendment any acreage required to provide an allotment for such farms was to be in addition to the acreage allotments otherwise provided for the county and the State, and the production from such acreage was to be in addition to the national marketing quota. The conference substitute provides that such acreage shall be in addition to the county and State allotments and the production from such acreage shall be in addition to the national market-

ing quota only to the extent that such production on any such farm has not contributed to the allotment for the county and the State.

(5) The House amendment provides that the producer shall be subject to a penalty on the "farm marketing excess" at a rate per pound equal to 50 percent of the parity price of cotton. The "farm marketing excess" is the normal production of the acreage planted to cotton on the farm which is in excess of the farm acreage allotment, except that the "farm marketing excess" shall not be larger than the amount by which the actual production on the farm exceeds the normal production of the farm acreage allotment. The House amendment authorizes the farmer to store, in accordance with regulations prescribed by the Secretary, excess cotton and thereby avoid or postpone the payment of the penalty. Reductions in such stored cotton are authorized if the acreage allotment for a future crop is underplanted or if the production for a future year is less than the normal production of the farm acreage allotment. The conference substitute deletes the provisions of the House amendment which permits the farmer to store excess cotton and avoid or postpone the payment of the penalty. Also under the conference substitute, until the penalty on excess cotton is paid, all cotton produced on the farm and marketed by the producer is subject to a penalty, and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

(6) The House amendment exempted from marketing quotas cotton having a staple of 1⅛ inches or more in length unless the Secretary of Agriculture determined that the total supply of such cotton would exceed the normal supply by more than 8 percent. In addition the conference substitute authorizes the exemption of extra-long-staple cotton designated by the Secretary which is produced from pure strain varieties of American-Egyptian, Sea Island, or other similar types of extra-long-staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable when such varieties are produced in areas designated by the Secretary and if such cotton is ginned on roller-type gins.

(7) The conference substitute reenacts and continues in effect a provision of existing law which was not contained in the House amendment, the effect of which makes a person who knowingly plants cotton in excess of the farm acreage allotment ineligible for payments under the Soil Conservation and Domestic Allotment Act.

(8) The House amendment added a provision to the peanut quota law which provided that no State would receive a peanut allotment of less than 60 percent of the acreage harvested for nuts in 1948. The conference substitute retains this language with two additional provisions, as follows:

(*a*) The 1950 national acreage allotment for peanuts shall not be less than 2,100,000 acres;

(*b*) If in any year after 1950 the national acreage allotment is less than 2,100,000 acres, the allotment for each State shall be reduced in the same proportion as the national acreage allotment is reduced below 2,100,000.

The intention of the conferees may best be shown by reference to the table, marked "Exhibit A," hereto attached and made a part hereof. In column 7 is shown the minimum acreage allotment to each State under this section when the national acreage allotment is 2,100,000 acres or more (subject to slight adjustments to reflect the difference

between 2,100,000 and 2,098,317). That is, if the national peanut acreage for 1950 should be proclaimed as 2,100,000 acres, then each of the States listed would be allotted the respective number of acres shown in column 7. In the event the national allotment in some subsequent year should be less than 2,100,000 acres, then, in such event, the minimum allotment to each of these States is to be reduced to the same extent and in the same ratio as such national allotment is reduced under 2,100,000 acres. For example, if in 1951 or later year the national allotment should be proclaimed as 1,890,000 acres (10 percent under 2,100,000) then the minimum allotment for each State as set forth in column 7 would be reduced 10 percent.

EXHIBIT A.—*Peanut acreage allotments, 1950: Based on proposed legislation*

State	1949 allotment [1]	Column 1 factored to 1,610,000 acres	1941 allotment	1950 allotment (larger of column 2 or column 3)	1948 acreage picked and threshed	60 percent of column 5	Larger of column 4 or 6	Increase due to present 1941 minimum provisions (column 4—column 2)	Increase due to proposed amendment (column 7—column 4)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Alabama	397,320	245,271	274,907	274,907	449,000	269,400	274,907	29,636	
Arizona	401	247	0	247	0	0	247		
Arkansas	8,184	5,052	5,473	5,473	8,000	4,800	5,473	421	
California	1,257	776	1,257	1,257	0	0	1,257	481	
Florida	82,640	51,015	73,236	73,236	110,000	66,000	73,236	22,221	
Georgia	873,092	538,971	550,694	550,694	1,169,000	701,400	701,400	11,723	150,706
Louisiana	3,887	2,399	353	2,399	3,000	1,800	2,399		
Mississippi	14,117	8,715	2,476	8,715	15,000	9,000	9,000		285
Missouri	401	247	0	247	0	0	247		
New Mexico	8,256	5,096	3,673	5,096	9,000	5,400	5,400		304
North Carolina	242,463	149,675	225,702	225,702	295,000	177,000	225,702	76,027	
Oklahoma	183,733	113,421	61,607	113,421	306,000	183,600	183,600		70,179
South Carolina	25,165	15,535	18,375	18,375	26,000	15,600	18,375	2,840	
Tennessee	5,524	3,410	4,766	4,766	5,000	3,000	4,766	1,356	
Texas	620,531	383,062	246,373	383,062	752,000	451,200	451,200		68,138
Virginia	141,108	87,108	141,108	141,108	164,000	98,400	141,108	54,000	
Total	2,608,079	1,610,000	1,610,000	1,808,705	3,311,000	1,986,600	2,098,317	198,705	289,612

[1] Excluding new farms.
[2] Minimum 1950 allotment under present legislation assuming a natioual allotment of 1,610,000 acres.

(9) Section 3 of the conference substitute retains the provision of the House amendment relative to the establishment of Middling ⅞-inch cotton as the standard grade for purposes of parity and price support. This means that for price support purposes, parity will be deemed to apply to Middling ⅞-inch cotton. Thus, the percentage of parity at which price support is required to be made available for cotton will be deemed to apply to Middling ⅞-inch cotton. As in the past appropriate adjustments will be made from such standard for other grades and staple lengths. The effect of this provision is that the basis upon which the schedule of support prices for cotton has heretofore been arrived at will continue in effect in the future.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House of Representatives.

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ment to him to learn that his interpretation of the effect of the proposed language had been in error.

H. R. 5508, as amended, passed the House July 18 and was subsequently passed by the Senate on July 26 without further amendment. On August 9 the President vetoed the measure and stated in his veto message to the Congress that the first three sections of the bill were without objection but that the fourth section, adopted by virtue of the amendment on the floor of the House, would result in an increased cost which might reach a maximum annual figure of $1,068,300. The message stated that further study had indicated that the section would increase the number of persons immediately eligible for retired pay by a known number of 250, and would, by crediting additional years of non-Federal service to certain personnel now on the retired list, increase the pay of 650 others. The above-mentioned costs, the message stated, would total $412,300 per year and it was estimated that an additional annual cost amounting to $656,000 might result from the possibility that an additional 500 persons could become immediately eligible for retirement.

The President stated further that cost factors were not the primary reasons for his withholding approval of the bill. In this connection he stated that the extension of the service creditable toward retirement to include non-Federal service would establish an undesirable precedent. In this connection, attention was invited to the fact that in defining the term "Federal service," the Congress had excluded all service performed without Federal recognition.

The President stated that the Congress and the members of all Reserve components might be assured that he would approve a bill limited to the purposes of the three sections contained in H. R. 5508 as it was reported ot the House of Representatives by the Committee on Armed Services, and he noted that the purpose of theses ections is to correct an effect of the 1948 Retirement Act which was not intended at the time of its passage by the Congress last year.

H. R. 5929 which is now before the House for consideration is a new bill which has been introduced in conformity with the desires of the President as indicated in his veto message. As I have already stated the language of this bill is identical to that of the bill which our committee reported out last month.

The purpose of this legislation is to amend subsections (b) and (c) of section 302, and also section 303 of Public Law 810, so as to make July 1, 1949, rather than June 29, 1948 the effective date after which the provisions of title III of that law require reserve personnel to earn credits for retirement. When Public Law 810 was passed it was believed that adequate authority had been granted to the Secretaries of the Army, Navy, and Air Force to defer the effective date for earning retirement credits for a sufficient length of time to permit the issuance of appropriate regulations and programs under which reserve personnel could qualify for retirement credits. However, a ruling issued by the Comptroller General in November 1948 made the effective date for these purposes June 29, 1948, some 6 months earlier than adequate programs for reserve training were generally available. As a result many reserves were denied the opportunity to complete a year of satisfactory Federal service as defined in the law.

The provisions contained in the proposed legislation have already been approved by the House and Senate and the President has likewise indicated that they met with his approval, it is therefore recommended that this bill do pass.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD.

Mr. WILSON of Texas asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan is recognized for 10 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

RATTLESNAKES IN OUR FRONT YARD

Mr. HOFFMAN of Michigan. Mr. Speaker, Michigan has thousands of lakes, rivers, and smaller streams. Clear, cool water, except where industry and the cities have polluted it.

In some of the lower, more swampy places, in the springtime we find an occasional rattlesnake. But we get after him and, if possible clear away the brush and make the place one in which he will not enjoy living. Then, through the summer, we keep an eye open and, at the first sound or sight of a rattler, we get busy.

The result is that our vacation places are safe even for the children. That is as it should be. It indicates but just ordinary common sense and forethought and a desire to protect one's own.

A similar course is almost always followed by every human being. Even the animals take what precautions they can against rattlesnakes.

Communists—at least in the thinking of right-minded Americans—are the world's rattlesnakes.

But this Government of ours, especially the State Department, and the internationalists and the one-worlders apparently would make pets of the rattlesnakes. They would take, and they have taken, them right into our household. You know, a rattlesnake will give you a warning when he is about to strike you, but these Communists do not.

The internationalists and the one worlders were successful in their campaign to give us a part in United Nations, which even some of its foremost advocates are now forced to admit is a failure.

The internationalists and those who think of a "one world" before they give a thought to America, in which they live and which supports them, foisted upon us a sanctuary for Communists—the world's rattlesnakes.

If memory serves correctly, the Congress was induced to provide $65,000,000 or more for the purchase of territory and the erection of a building in New York State. There we have the home of the United Nations. That territory and those within it seem to be beyond the jurisdiction of the United States of America.

In biblical days, there was a City of Refuge, to which murderers and other criminals could flee for sanctuary. If the chairman of a Senate Judiciary Committee is correctly quoted and has reliable information, the home of United Nations in New York is a sanctuary for international rattlesnakes.

Just a few days ago, the press carried the statement that the chairman of a Senate subcommittee declared that individuals have gone, and I quote, "directly from fields of subversive activity" in the United States to positions of authority in United Nations.

The chairman cited as two typical examples Ludwig Rajchman, Executive Director of the United Nations International Emergency Children's Fund, and Norman Corwin.

He then continued:

> If the case of Norman Corwin were an isolated instance, it would not be so greatly disturbing. It is, unfortunately, characteristic of a number of people who have been selected to serve in the Secretariat of the United Nations. Included in this group are persons who have been disqualified from holding public office in the United States as a result of the loyalty investigations.

The chairman further said that Mr. Corwin "is cited as Communist and subversive by the Attorney General of the United States."

He continued:

> Yet this man today sits in a vitally important job in the United Nations.

In an editorial in another great daily, there is carried the statement that a man who had threatened to shoot the President of the United States has found a job with United Nations.

Day after day, the Congress is warned of the danger of Communists overrunning the world and who, it is said, threaten our security, our national existence.

Day after day, we appropriate millions and billions upon billions of dollars to fight communism.

We are preparing for a third world war. Many believe that the Atlantic Pact, wherein we join 11 other nations—most of them bankrupt and many of them quarrelsome—in an agreement to fight each other's battles, will ultimately involve us in a world war.

Will someone please explain to me a policy which is bleeding us white in an effort to fight communism abroad, while, here in our own front or back yard,

whichever you prefer to call it, we maintain a sanctuary for Communists, for rattlesnakes?

COTTON QUOTAS

Mr. PACE. Mr. Speaker, I ask unanimous consent that the conferees on the cotton quota bill, S. 1962, may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 1259)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"'NATIONAL MARKETING QUOTA

"'SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"'REFERENDUM

"'SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"'ACREAGE ALLOTMENTS

"'SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"'(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"'(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"'(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"'(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"'(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"'(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"'(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"'(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"'(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

"'(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

"'(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 per centum of

the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"'(g) Notwithstanding the foregoing provisions of this section—

"'(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"'(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"'(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"'(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided,* That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: *And provided further,* That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Except to the extent that the production on any such farm has contributed to the county and State allotments, any allotment established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"'(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"'(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"'(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"'(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

"'(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"'(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"'(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determines that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"'(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"'(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"'(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"'FARM MARKETING QUOTAS

"'SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided,* That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"'PENALTIES

"'SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"'(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"'(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"'(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

"'LONG-STAPLE COTTON

"'SEC. 347. (a) Except as otherwise provided by this section, the provisions of this Part shall not apply (1) to cotton the staple of which is one and one-half inches or more in length or (2) to extra long staple cotton designated by the Secretary which is produced from pure strain varieties of American Egyptian, Sea Island or other similar types of extra long staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable and when such varieties are produced in designated irrigated cotton-growing regions of the United States or other areas designated by the Secretary as suitable for the production of such varieties. The exemptions authorized by this subsection shall not apply to any such cotton unless ginned on a roller-type gin.

"'(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of any one or more of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such variety or varieties of cotton during the marketing year beginning in the next calendar year.

"'The Secretary shall also determine and specify in such marketing quota proclamation the amount of the national marketing quota in terms of the quantity of such extra long staple cotton adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of this Act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such extra long staple cotton.

"'INELIGIBILITY FOR PAYMENTS

"'SEC. 348 (a). Any person who knowingly plants cotton on his farm in any year in excess of the farm acreage allotment for cotton for the farm for such year under section 344 shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended.

"'(b) All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted

to the farm under section 344 for such year.'

"SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Subsection (b) (3) (B) is amended to read: '"Carry-over" of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current.'

"(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word 'cotton' where it first appears and the language '40 per centum in the case of cotton' and (ii) by adding a new subparagraph (C) as follows:

"'(C) The "normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over.'

"(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word 'cotton' and (ii) by adding a new subparagraph (C) as follows:

"'(C) "Total supply" of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.'

"(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting '(a)' before the first paragraph and by adding the following new paragraph:

"'(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment.'

"(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"'Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.'

"SEC 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

"(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out 'cotton and'.

"SEC 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"'(c) The national acreage allotment shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State shall be not less than (1) the allotment established for such State for the crop produced in the calendar year 1941, or (2) 60 per centum of the acreage of peanuts harvested for nuts in the calendar year 1948, whichever is larger: *Provided further*, That if the national acreage allotment in any year is less than 2,100,000 acres, then the allotment for each State after being calculated as hereinabove provided shall be reduced by the same percentage as the State allotment (as so calculated) bears to the national allotment: *And provided further*, That the national acreage allotment for the crop year 1950 shall be not less than 2,100,000 acres.'

"SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

"(A) 50 per centum of—

"(1) the acreage on the farm seeded for the production of wheat in 1949, and

"(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

"(B) 50 per centum of—

"(1) the acreage on the farm seeded for the production of wheat in 1948, and

"(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national average seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938 as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided*, That no acreage shall be included under (A) or (B) which the Secretary by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments."

And the House agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
EDWARD J. THYE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to recommend that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment.

The conference substitute in the main is the same as the House amendment. Except for clarifying or minor changes, the differences between the conference substitute and the House amendment are explained below:

(1) The House amendment required the Secretary of Agriculture to proclaim the need for a national marketing quota not later than November 15 of the calendar year in which such determination was made. The conference substitute changes the date to October 15.

(2) The House amendment provided for the apportionment of the State allotment among the counties in the State on the basis of the acreage planted to cotton during a period of four calendar years for the years 1950, 1951, and 1952, and thereafter on the basis of the acreage planted to cotton during the preceding five years (excluding 1949). The conference substitute provides that the State acreage allotment shall be apportioned among the counties in the State on the same basis as to years and conditions as the national allotment is apportioned to the States.

(3) The House amendment authorizes the establishment of a State reserve to be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms. The conference substitute authorizes the State reserve to be used for making adjustments in county allotments "for trends in acreages" as well as for the purposes specified in the House amendment.

(4) The House amendment made provision for the establishment of allotments for any cotton farm which had been acquired by the Federal or State government for nonfarming purposes, and which is being returned to agricultural production. Provision was also made for the establishment of allotments for farms within the State which have been acquired by persons whose cotton farms have been or are being acquired by the Federal or State government for public purposes. Under the House amendment any acreage required to provide an allotment for such farms was to be in addition to the acreage allotments otherwise provided for the county and the State, and the production from such acreage was to be in addition to the national marketing quota. The conference substitute provides that such acreage shall be in addition to the county and State allotments and the production from such acreage shall be in addition to the national marketing quota only to the extent that such production on any such farm has not contributed to the allotment for the county and the State.

(5) The House amendment provides that the producer shall be subject to a penalty on the "farm marketing excess" at a rate per pound equal to 50 percent of the parity price of cotton. The "farm marketing excess" is the normal production of the acreage planted to cotton on the farm which is in excess of the farm acreage allotment, except that the "farm marketing excess" shall not be larger than the amount by which the actual production on the farm exceeds the normal production of the farm acreage allotment. The House amendment authorizes the farmer to store, in accordance with regulations prescribed by the Secretary, excess cotton and thereby avoid or postpone the payment of the penalty. Reductions in such stored cotton are authorized if the acreage allotment for a future crop is underplanted or if the production for a future year is less than the normal production of the farm acreage allotment. The conference substitute deletes the

provisions of the House amendment which permits the farmer to store excess cotton and avoid or postpone the payment of the penalty. Also under the conference substitute, until the penalty on excess cotton is paid, all cotton produced on the farm and marketed by the producer is subject to a penalty, and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

(6) The House amendment exempted from marketing quotas cotton having a staple of 1½ inches or more in length unless the Secretary of Agriculture determined that the total supply of such cotton would exceed the normal supply by more than 8 percent. In addition the conference substitute authorizes the exemption of extra-long-staple cotton designated by the Secretary which is produced from pure strain varieties of American-Egyptian, Sea Island, or other similar types of extra-long-staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable when such varieties are produced in areas designated by the Secretary and if such cotton is ginned on roller-type gins.

(7) The conference substitute reenacts and continues in effect a provision of existing law which was not contained in the House amendment, the effect of which make a person who knowingly plants cotton in excess of the farm acreage allotment ineligible for payments under the Soil Conservation and Domestic Allotment Act.

(8) The House amendment added a provision to the peanut quota law which provided that no State would receive a peanut allotment of less than 60 percent of the acreage harvested for nuts in 1948. The conference substitute retains this language with two additional provisions, as follows:

(*a*) The 1950 national acreage allotment for peanuts shall not be less than 2,100,000 acres;

(*b*) If in any year after 1950 the national acreage allotment is less than 2,100,000 acres, the allotment for each State shall be reduced in the same proportion as the national acreage allotment is reduced below 2,100,000.

The intention of the conferees may best be shown by reference to the table, marked "Exhibit A," hereto attached and made a part hereof. In column 7 is shown the minimum acreage allotment to each State under this section when the national acreage allotment is 2,100,000 acres or more (subject to slight adjustments to reflect the difference between 2,100,000 and 2,098,317). That is, if the national peanut acreage for 1950 should be proclaimed as 2,100,000 acres, then each of the States listed would be allotted the respective number of acres shown in column 7. In the event the national allotment in some subsequent year should be less than 2,100,000 acres, then, in such event, the minimum allotment to each of these States is to be reduced to the same extent and in the same ratio as such national allotment is reduced under 2,100,000 acres. For example, if in 1951 or later year the national allotment should be proclaimed as 1,890,000 acres (10 percent under 2,100,000) then the minimum allotment for each State as set forth in column 7 would be reduced 10 percent.

EXHIBIT A.—*Peanut-acreage allotments, 1950: Based on proposed legislation*

State	1949 allotment [1] (1)	Column 1 factored to 1,610,000 acres (2)	1941 allotment (3)	1950 allotment (larger of column 2 or column 3) [2] (4)	1948 acreage picked and threshed (5)	60 percent of column 5 (6)	Larger of columns 4 or 6 (7)	Increase due to present 1941 minimum provisions (column 4—column 2) (8)	Increase due to proposed amendment (column 7—column 4) (9)
Alabama	397,320	245,271	274,907	274,907	449,000	269,400	274,907	29,636	
Arizona	401	247	0	247	0	0	247		
Arkansas	8,184	5,052	5,473	5,473	8,000	4,800	5,473	421	
California	1,257	776	1,257	1,257	0	0	1,257	481	
Florida	82,640	51,015	73,236	73,236	110,000	66,000	73,236	22,221	
Georgia	873,092	538,971	550,694	550,694	1,169,000	701,400	701,400	11,723	150,706
Louisiana	3,887	2,399	353	2,399	3,000	1,800	2,399		
Mississippi	14,117	8,715	2,476	8,715	15,000	9,000	9,000		285
Missouri	401	247	0	247	0	0	247		
New Mexico	8,256	5,096	3,673	5,096	9,000	5,400	5,400		304
North Carolina	242,463	149,675	225,702	225,702	295,000	177,000	225,702	76,027	
Oklahoma	183,733	113,421	61,607	113,421	306,000	183,600	183,600		70,179
South Carolina	25,165	15,535	18,375	18,375	26,000	15,600	18,375	2,840	
Tennessee	5,524	3,410	4,766	4,766	5,000	3,000	4,766	1,356	
Texas	620,531	383,062	246,373	383,062	752,000	451,200	451,200		68,138
Virginia	141,108	87,108	141,108	141,108	164,000	98,400	141,108	54,000	
Total	2,608,079	1,610,000	1,610,000	1,808,705	3,311,000	1,986,600	2,098,317	198,705	289,612

[1] Excluding new farms.
[2] Minimum 1950 allotment under present legislation, assuming a national allotment of 1,610,000 acres.

(9) Section 3 of the conference substitute retains the provision of the House amendment relative to the establishment of Middling ⅞-inch cotton as the standard grade for purposes of parity and price support. This means that for price support purposes, parity will be deemed to apply to Middling ⅞-inch cotton. Thus, the percentage of parity at which price support is required to be made available for cotton will be deemed to apply to Middling ⅞-inch cotton. As in the past appropriate adjustments will be made from such standard for other grades and staple lengths. The effect of this provision is that the basis upon which the schedule of support prices for cotton has heretofore been arrived at will continue in effect in the future.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

ENROLLED JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p. m.) the House adjourned until tomorrow, Friday, August 12, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

849. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950 in the amount of $79,800 for the Department of Labor (H. Doc. No. 299); to the Committee on Appropriations and ordered to be printed.

850. A letter from the Executive Assistant to the Secretary of Commerce, transmitting a draft of a proposed bill entitled "To amend section 10 of the act of May 28, 1948 (Public Law 562, 80th Cong.) to authorize the appropriation of $17,000,000 for the construction of public airports in the Territory of Alaska"; to the Committee on Interstate and Foreign Commerce.

851. A letter from the Chairman, Federal Reserve System, transmitting the Thirty-fifth Annual Report of the Federal Reserve System, covering operations during the calendar year 1948; to the Committee on Banking and Currency.

852. A letter from the Comptroller General of the United States, transmitting a report of the General Accounting Office on the improper handling of certain funds coming into the hands of persons in the service of the United States in their official capacity; to the Committee on Expenditures in the Executive Departments.

853. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "To Amend an Act Fixing the Price of Copies of Records Furnished by the Department of the Interior"; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STANLEY: Committee on House Administration. House Concurrent Resolution 103. Concurrent resolution to provide for the expenses of the joint committee created pursuant to House Concurrent Resolution 102; without amendment (Rept. No. 1246). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 306. Resolution to provide funds for the Committee

on Education and Labor; without amendment (Rept. No. 1247). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 318. Resolution authorizing the Clerk of the House of Representatives to approve payment of gratuities during the recess of Congress; without amendment (Rept. No. 1248). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Joint Resolution 332. Joint resolution providing for the establishment of a joint Senate and House recording facility; with an amendment (Rept. No. 1249). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 315. Resolution authorizing additional employees in the disbursing office; with an amendment (Rept. No. 1250). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 288. Resolution for the relief of Isabel Muth Meade; with an amendment (Rept. No. 1251). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 324. Resolution relative to the contested-election, Browner against Cunningham, Fifth Congressional District of Iowa; Fuller against Davies, Thirty-fifth Congressional District of New York; and Thierry against Feighan, Twentieth Congressional District of Ohio; without amendment (Rept. No. 1252). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 317. Resolution for the relief of Mrs. Ruth Bankhead; without amendment (Rept. No. 1253). Ordered to be printed.

Mr. PETERSON: Committee on Public Lands. S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska; without amendment (Rept. No. 1254). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 4330. A bill to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project; with an amendment (Rept. No. 1255). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 5866. A bill to adjust and define the boundary between Great Smoky Mountains National Park and the Cherokee-Pisgah-Nantahala National Forests, and for other purposes; without amendment (Rept. No. 1256). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. House Joint Resolution 334. Joint resolution to amend certain laws providing for membership and participation by the United States in certain international organizations; without amendment (Rept. No. 1257.) Referred to the Committee of the Whole House on the State of the Union.

Mr. CLEMENTE: Committee on Armed Services. H. R. 5929. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; without amendment (Rept. No. 1258). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference, S. 1962. An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1259). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRANAHAN:

H. R. 5963. A bill to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense; to the Committee on Armed Services.

By Mr. HARRISON:

H. R. 5964. A bill to liberalize veterans' housing loan procedure; to the Committee on Veterans' Affairs.

By Mr. RANKIN:

H. R. 5965. A bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. REES:

H. R. 5966. A bill to amend sections 2 (a) and 603 (a) of the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. CROSSER (by request):

H. R. 5967. A bill to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN of South Carolina:

H. R. 5968. A bill to vest in the Commissioners of the District of Columbia control over all public swimming pools, playgrounds, and parks situated in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WICKERSHAM:

H. R. 5969. A bill providing for the payment of direct Federal old-age assistance to citizens 60 years of age or over; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; to the Committee on Interstate and Foreign Commerce.

By Mr. JAVITS:

H. Con. Res. 120. Concurrent resolution favoring an organization for far eastern cooperation; to the Committee on Foreign Affairs.

By Mr. SMATHERS:

H. Con. Res. 121. Concurrent resolution favoring an organization for far eastern cooperation; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Con. Res. 122. Concurrent resolution favoring an organization for far eastern cooperation; to the Committee on Foreign Affairs.

By Mr. RIBICOFF:

H. Con. Res. 123. Concurrent resolution favoring an organization for far eastern cooperation; to the Committee on Foreign Affairs.

By Mr. CORBETT:

H. Con. Res. 124. Concurrent resolution favoring an organization for far eastern cooperation; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Con. Res. 125. Concurrent resolution authorizing the Committee on the Judiciary of the House of Representatives to have printed 5,000 copies of the hearings, held before said committee, on the resolutions entitled "Study of Monopoly Power"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 5970. A bill for the relief of Dr. Emery Martin Gal; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 5971. A bill for the relief of Lenny Elisabeth Gustavsson; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5972. A bill for the relief of Ivar G. Johnson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1399. By Mr. KEARNEY: Petition received from a liquor dealer in Oneonta, Otsego County, N. Y., and containing 47 signatures, urging that if Federal excise taxes on jewelry, furs, cosmetics, and other commodities are reduced, alcoholic beverages be included, too; to the Committee on Ways and Means.

1400. By Mr. RICH: Petition of Mrs. Roy A. Reck and other citizens of Bradford, Pa., requesting that the Thomas and Barden education bills be abolished; to the Committee on Education and Labor.

1401. By the SPEAKER: Petition of M. S. Bardwell, and others, Hutchinson, Kans., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1402. Also, petition of Mrs. Nora Willson, and others, Citizens and Townsend Club, No. 2, Tulsa, Okla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1403. Also, petition of Grace Grover, and others, Northside Townsend Club, Sioux Falls, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1404. Also, petition of Mrs. Effa K. Collings, and others, Miami Townsend Club, No. 22, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1405. Also, petition of Mr. and Mrs. R. D. Matson, and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1406. Also, petition of A. Simmons, and others, Sulphur Springs, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1407. Also, petition of Mrs. L. Doehlert, and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

mittee on Rules may have until midnight Saturday to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and to include a bill which he introduced yesterday to restore the 16,000 veterans' hospital beds that were eliminated some time ago.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in four separate instances and in each to include extraneous matter.

COTTON AND WHEAT MARKETING QUOTAS

Mr. PACE. Mr. Speaker, I call up the conference report on the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and ask unanimous consent that the Statement of the Managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of August 11, 1949.)

Mr. PACE. Mr. Speaker, in explanation of the action of the conferees, may I say that this is a unanimous report on the part of the conferees of the House and Senate and, further, it is substantially the bill as it passed the House.

A brief explanation of the changes in the bill. It was provided that the Secretary of Agriculture should proclaim marketing quotas not later than November 15. That date has been changed to not later than October 15 in the report.

The Senate bill provided that the allotment to the counties should be made on the same basis as the allotment received by the State, while the House bill provided that the allotment to the counties should be on the basis of the preceding 4 years for the 3 years 1950, 1951, and 1952. The language provided in the Senate bill was accepted.

The House bill provided that the State committee could reserve 10 percent of the State allotment to be used in adjusting county allotments adversely affected by the abnormal conditions affecting plantings, for small and new farms. The Senate bill contained also the provision that this reserve acreage could be used in making adjustments in county allotments for trends in acreages. That provision was added to the House language, so that the bill as reported would authorize a 10-percent reserve for making adjustments in the county allotments for trends in acreages as well as for adjustments in county allotments adversely affected by abnormal conditions affecting plantings, for small farms and for new farms.

The House bill contained a provision whereby if a cotton farm was taken over by the Federal Government or State government for public purposes the owner could acquire an acreage allotment on another farm within the State. The House provided that such acreage should be in addition to the national allotment. That is modified in the report to the extent that the acreage needed shall be in addition only to the extent that the production on any such farm has not contributed to the allotment for the county and the State.

The most substantial change in the bill was that the House bill carried a provision authorizing a noncooperator—that is, a cotton producer who exceeded his allotment—to store his excess production; that is, cotton produced on the excess acreage. That provision is stricken from the bill as reported by the conferees.

The provision as to the exemption for long-staple cotton is revised, but no substantial change is made. The provision in the present law which prohibits a noncooperator from receiving his ACP payments, that is, payments under the Soil Conservation and Domestic Allotment Act, is included in the bill as agreed upon. And also the section giving the United States a lien on the entire crop of cotton until the penalty on the farm marketing excess is paid.

There is a provision giving a minimum allotment to States with regard to peanut acreage allotments. That is retained in the bill with a proviso adding that the national allotment for 1950 should not be less than 2,100,000 acres, and that if the acreage in future years is reduced to less than that figure, then the allotment for each State shall be reduced in the same proportion as the national allotment is reduced.

That, Mr. Speaker, covers the principal changes in the bill as passed by the House and, as I stated, it is substantially the bill as it passed the House.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. I realize that the Committee on Agriculture has had a very difficult task, and I am in agreement with the general provisions of the conference report. I claim the privilege of adding my personal commendation for the chairman. I realize he has had a complicated problem to deal with. I think the chairman forgave me for the interruptions which I caused in the consideration of this bill when it was before the House.

Mr. PACE. The gentleman need not apologize for that. His interruptions were quite helpful to the committee.

Mr. HAYS of Arkansas. I appreciate that. The thing that some of us have been vitally concerned about is that, in this transition that is taking place in the cotton economy, we avoid those two dangers that are ever present: First, the imposition upon the little farmers who are inevitably to be squeezed out; and the other is that in helping him get into other types of farming we do not bankrupt the United States Treasury. I know the gentleman has been sensitive to both of those considerations, and sometimes they are very hard to harmonize.

Mr. PACE. May I say to the gentleman that the provision seeking to protect the small farmer is retained in the bill exactly as it passed the House. There was no modification in that language.

Mr. HAYS of Arkansas. I am very gratified over that. I understand, then, that the provision that allows this item of 10 and 15 percent for special situations is retained?

Mr. PACE. That is retained in the bill exactly as it passed the House without any change whatsoever, except the one change I mentioned, where we did add, besides small farms, new farms, "and for trends in acreage." That was the only change. That is where there has been a shift in production in a State.

Mr. HAYS of Arkansas. The fears that I expressed in the debate regarding the larger acreage are somewhat allayed by some of the statements the gentleman has made; that is, that there will be no prospect of that larger acreage for 1950.

Mr. PACE. The minimum acreage of 21,000,000 in 1950 applies only to the one year.

Mr. HAYS of Arkansas. The cotton farmers are greatly indebted to the gentleman from Georgia. He has striven to ascertain the facts upon which a permanent policy might be developed. That policy must release those producers whose lands are adapted to cotton to achieve high production and must gradually place emphasis upon high yields and lower production costs. The marginal or high-cost producer cannot indefinitely maintain a high support price, for the high price in peacetimes always depends upon restricted acreage or weather adversities.

A 5,000,000-bale carry-over from the 1948 crop is proof that we cannot afford unlimited acreage. A lower price, gradually achieved, is our only hope, unless new demands now unforeseen should develop. The efficient low-cost producer has nothing to fear from this if we work out a good national policy. I realize that there is a stark economic law operating against the small producer. It must be respected. In this period of quotas he cannot always be guaranteed as much as adequate living standards require, unrelated to market and other factors, for we would either place an unjust burden on the Treasury or penalize the owners, tenants, and laborers who depend upon the large operations. A share cropper is a little man, too, though part of a large operation.

I hope we can find a better formula to balance the various interests.

One thing I fear is that Congress may not face the realities of these terrific postwar changes in the cotton situation. We cannot guarantee a high price without inconveniences to a lot of people. It isn't pleasant to tell producers about these inconveniences but in justice to the over-all requirements we have to ask for a give-and-take attitude.

The Government must help the cotton farmers through the present difficulty and the cotton price-support program is only one phase of it.

We must keep the prices up for other commodities, for livestock, peanuts, fruits, and related crops so that diversification is attractive. We must keep the Farmers Home Administration well equipped to provide credit needed by the farmers who cannot get out of cotton without help.

There is another phase to the transition that has not been developed and that is the perfecting of an industrial policy that will provide greater opportunities at home. My belief in the efficacy of this program led me to urge that the minimum-hourly rate be held to 65 cents for the present. The majority of the House took an opposite view and this decision reduces our hopes for industrial expansion to replace our shrinking cotton system. This is not defeatism, I am merely enumerating the various factors in a total program for the cotton section's relief. What we do for the survival of these distressed groups must not be at the expense of other sections or other commodity groups. It is a national problem and one that will require many years to solve. At this stage it is well to resolve that we will relate this issue to other legislation in a manner that moves us gradually toward a sound policy.

(Mr. HAYS of Arkansas asked and was given permission to revise and extend his remarks.)

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Speaker, I take this occasion to express my appreciation of the wonderful work done by my colleague the gentleman from Oklahoma, Representative ALBERT, on this measure.

The Albert amendment, providing for guaranteed acreage on peanuts, will ensure to Oklahoma farmers that their scant acreage quotas will not be further reduced to a devastating figure.

Because Oklahoma farmers had not had a long history of peanut raising, the quota base first proposed in the bill, and in the former law, would have resulted in our State losing more than 70,000 acres of our quota. This would have been in addition to the reduction of 40 percent which we were compelled to take under our 1948 acreage.

The Albert amendment will insure that Oklahoma farmers may plant a total of 183,600 acres and will more nearly place us on a parity with other States.

The gentleman from Oklahoma [Mr. ALBERT] not only drafted the corrective amendment which gave us a fairer share of the national quota, but because of his leadership on the important Agricultural Committee was able to secure its adoption by the committee and its passage by the House of Representatives.

When difficulty developed in the conference committee, it was the work of the gentleman from Oklahoma [Mr. ALBERT] in explaining the justice of his proposal that resulted in final approval of the amendment.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Illinois.

Mr. SABATH. I do not know whether or not I understood the gentleman correctly. But, in view of the fact that there is such a great surplus of cotton, I think it should be understood, as we were made to believe, that the acreage will be reduced. I understand the gentleman said that there should not be less than 2,500,000 acres for any one State; is that right?

Mr. PACE. No.

Mr. SABATH. Not less; instead of not more.

Mr. PACE. Let me clarify that. Let me say, first, that the acreage in cotton this year is in excess of 26,000,000 acres. The bill provides that next year the allotment shall not be less than 21,000,000. Then the bill further provides that thereafter the allotments shall not be less than 10,000,000 bales, or 1,000,000 bales less than the previous year's consumption and exports. Then, if in 1951 we should drop down to 10,000,000 bales on the basis of the average yield the last 5 years, the national allotment will be 17,880,000 acres, which means that within 2 years we will have gone down from in excess of 26,000,000 acres to a little below 18,000,000 acres, which I am sure the gentleman will agree, when you have to adjust your economy to such a reduction, is just about as fast as it can go down.

Mr. SABATH. I am interested, of course, in the cotton growers. In view of the tremendous acreage and tremendous yield the last few years and the surplus we have, and the great amount of money it costs the Government for storage, and so on, I was hopeful and I was led to believe that the acreage would be reduced, but as the gentleman himself states, instead of providing that it should be no more than 21,000,000 acres, he said it should not be less than 21,000,000 acres.

Mr. PACE. I think I can assure the gentleman it will be 21,000,000 acres, because I am sure the Secretary will be disposed to go as low as he can.

Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I doubt if there is a man in the House who represents more small cotton farmers than I do.

What I am afraid of is that this is going to drive many of them from their fields.

When they put on the acreage limitation 15 years ago it was "duck soup" for the big planters, but it drove many little farmers into bankruptcy.

Today they are talking about a surplus of cotton. By driving the little farmer from his field, by limiting his acreage, they forced the price of cotton up and encouraged the production of cotton in Brazil and other foreign countries.

We have what looks like a disaster in the southern States today. We have the worst boll-weevil infestation we have had for at least 16 years.

Another thing I dislike about this limitation is that you deny to the ex-serviceman the right to start cotton farming.

The other day when we tried to guarantee him at least 5 acres by the Beckworth amendment it was voted down.

We are going to have a great deal of unemployment in that section of the South that depends on the small cotton farmer. I am just wondering if you are not getting ready to again expand the production of the big planter and restrict the possibilities for the little farmer to make a living. That is what I am concerned about.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. I do not want to heckle; I really am asking for information. Are the small cotton farmers down there mostly sharecroppers? I am not trying to set a trap, or anything of the sort. I am asking for information.

Mr. RANKIN. A large percentage own their land.

Let me say to the gentleman from Missouri that down there invariably you cannot tell a renter from the man who owns the land. Many farmers do not want to own land, because they would have to pay the taxes whether they make any crop or not, to say nothing of the expense of keeping the property in good condition.

That burden falls on the landowner. But I will say a majority of these people own their small farms.

I have heard a great deal of talk about labor here lately. I have done all kinds of work that a man is supposed to do in the South, and I say frankly that I have never seen any man work harder than a cotton farmer works, not in the shade but in the hot sun.

He makes 1 cent an hour on an average for every cent a pound that he gets for his lint cotton. That means last year he got 32 cents an hour.

As I said, he is just about the hardest worker in America.

He gets less per hour for his work and takes all the chances of having his crop ruined by rains or destroyed by the boll weevil. And yet here you come along and put a floor under the other fellow of 75 cents an hour and then limit this little fellow so that he cannot really exercise his prerogative of making a living on his own land.

Let me remind you that the small white cotton farmers of the South sent the largest percentage of their sons to the recent war of any other people in America.

The Government levied a quota on each State according to the population, and then proceeded to take a preponderance of white boys to do the fighting. They did not regard cotton as a necessity, and, therefore, allowed no exemptions for cotton farmers. The result was that they took a larger percentage of the

white cotton farmers of the South into the service than any other class of people in America.

Now to limit those small farmers to where they cannot grow enough cotton to pay their bills, and deny the ex-serviceman who has not been growing cotton the privilege of entering into that activity, is something I simply cannot understand.

Mr. PAGE. Mr. Speaker, I yield myself such time as I may require, in order to answer the gentleman from Mississippi.

In response to the statement made by the gentleman from Mississippi, I think it needs to be said that there has never been presented to the Congress any piece of legislation having to do with the limitation of production which is so liberal, with such beneficial provisions for the small farmer, as that set forth in the conference report.

Let me correct one further statement which has so often been made—that the limitations on the production of cotton have driven the production of cotton to foreign countries. About 30 years ago we were planting about 44,000,000 acres of cotton in this country. We were producing on the average of about 11,000,000 bales. We have now cut the acreage in cotton practically in half and I think it needs to be said we are now producing more cotton on half of the acreage than we formerly produced on all the 44 million acres. For example, last year when only 23,000,000 acres of cotton were planted we produced 15,000,000 bales of cotton, and every year since marketing quotas have been in effect the production in cotton has been greater than before we had marketing quotas. Marketing quotas—let me say this, perhaps everybody will not agree with me—but marketing qoutas on cotton has contributed more to efficiency in farming than anything that has ever happened to the farmers of this Nation. Mark my word, within a few years we are going to be producing on only 17,000,000 acres more cotton than we ever produced on the 44,000,000 acres or the 26,000,000 acres that we have in production this year. I do not know of anything that contributes more to efficient farming; I do not know anything that contributes more to the conservation of the soils of this Nation than marketing quota provisions as they relate to cotton.

Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PACE. I am sorry; I yield to the gentleman from North Carolina.

Mr. BONNER. Will this bill do away with the assured acreage of peanuts under the existing law to the States of Virginia and North Carolina?

Mr. PACE. There are two protective provisions. There is one providing that the peanut acreage allotment for any State shall not be less than its allotment in 1941. Of course that, as the gentleman knows, protects the State of North Carolina and the State of Virginia. Then, to recognize the trends in production, as the bill does in the case of cotton and in the case of wheat, there is a provision that the minimum allotment to any other State shall not be less than 60 percent of its 1948 harvested acreage. The bill then provides that the 1950 acreage allotment shall not be less than 2,100,000 acres. That will assure the State of Virginia and the State of North Carolina their full 1941 allotment. After that, if the Secretary has to go below the 2,100,000 acres, then the agreement provides that each State, including the States of North Carolina, Virginia, and all the other States, shall have their minimum allotment reduced in the same proportion as the national allotment is reduced under the 2,100,000 acres.

Mr. BONNER. I understand that.

Now, may I ask the chairman this question: The chairman of the Committee on Agriculture in the House was a member of the conference committee. The senior Senator from North Carolina was a member of the conference committee. Did the two conferees I have mentioned agree to the arrangement in this conference report?

Mr. PACE. What two are those?

Mr. BONNER. The senior Senator from North Carolina and the chairman of the Committee on Agriculture in the House.

Mr. PACE. They both joined in the conference report.

Mr. BONNER. And this was satisfactory to them?

Mr. PACE. So far as I am advised, it was.

I now yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, the gentleman talks about their making more cotton on a smaller acreage. I call attention to the fact that, instead of requiring the farmers to diversify, when they put on this program years ago, they just cut each one proportionately and drove many little cotton farmers out of the field.

The big planters have been able to buy fertilizer, such as nitrate of soda, intensively cultivate, and make more cotton than before.

If you will go back and search, you will find that the little fellow was getting it in the neck, and I fear he is going to get it in the neck under this bill.

Mr. PACE. Not under this bill.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. BONNER. With respect to peanuts: Yesterday I understood the gentleman from Georgia to advise me that the State committee could take into consideration historical plantings—old growers as against new growers, in making the necessary reduction in the allocation in the States.

Mr. PACE. The present law provides that among other elements to be considered in making farm allotments is the allotment made to the farm under the previous programs where marketing quotas were in effect. That is not only permissive but it is a mandatory provision.

Mr. BONNER. Therefore, the State committees could give preference to old growers, prior to the establishment of new peanut quotas? Should the acreage be reduced below 2,100,000.

Mr. PACE. To the extent of taking into consideration previous allotments they have received on the farm.

I now yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I am amazed to hear the statement of the gentleman from Mississippi [Mr. RANKIN] that under the law we have passed the small cotton farmer has been discriminated against. I have at all times urged, advocated and supported aid for the small farmer. It was never my intention to especially help the big cotton planters.

Now, if the statement of the gentleman from Mississippi [Mr. RANKIN] is true, that the big planters have taken advantage under the law to drive the little fellow, in whom I have always been interested as to every piece of legislation that has been proposed, out, I want to know how it was permitted, and whether under this bill the big planter will be in a position to drive the little fellow out.

Mr. RANKIN. It is often said that the difference between a planter and a farmer is that the planter farms the farmer, and the farmer farms the farm.

The little fellow is the man who does the work. Where he owns his own home or he has to rent a small piece of ground, under that restriction years ago he was driven to where he could not raise enough cotton to pay his taxes and meet other necessary expenses, while the big planters made more money than he had ever made before.

Mr. SABATH. Of course, I am informed that conditions even in the gentleman's State of Mississippi, and all through the South, are much better than they were before. I am indeed gratified that conditions have improved, and I hope they will continue to improve, but I am not promoting the interest of the big planter as against the little fellow who is being discriminated against under any legislation; and I hope that this bill will really provide a safeguard for the little fellow.

Mr. PACE. I can give the gentleman assurance that it will.

Mr. HOPE. Mr. Speaker, this is a unanimous report on the part of the committee on conference. As has already been stated by the distinguished gentleman from Georgia, the conference report embodies substantially everything we had in the House bill. Such changes as were made in the House bill are very minor. As a matter of fact, the entire legislation changes the present law only in matters of detail and administration; it does not put us in the field of any new policies or principles as far as this type of legislation is concerned.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. WILLIAMS. I still am not clear with reference to the person who plants cotton on his farm for the first time, the returned veteran who wants to grow a little cotton but who has no past history of having grown cotton. I would appreciate it if the gentleman would explain this point and how it would work out with reference to this type of farmer.

Mr. PACE. The bill provides for a state allotment, which in the case of

Mississippi I believe is about 2,500,000 acres. It then provides that the State committee can reserve 10 percent of that, or 250,000 acres. The State committee can use this to take care of trends in production among counties within the State. I understand there have been trends between the northern and southern parts of Mississippi. The State committee can also take care of the case where there has been an abnormally adverse condition brought about through planting. It may also use some of this reserve to take care of these small farmers the gentleman from Illinois was talking about, and give them increased acreage. The State committee also can use this reserve to make allocations to veterans about whom the gentleman from Mississippi has spoken; that is a man who under the strict application of the formula would get nothing, can receive an allocation from the State committee to the county committee for that purpose. Not only does this 10-percent reservation apply to the State committee but likewise to the county committee who can reserve an additional 10 percent for the same purpose.

I may say that never has there been a bill in my experience in the Congress that gives as sympathetic consideration to the welfare of the little producer or the man who is not under the regular formula, because it allows the State and the county committees to make provision for them.

Mr. WILLIAMS. Does the gentleman consider that provision to be sufficient to take care of the situation down there without further specification?

Mr. PACE. I will put it this way: It is most generous, taking into account the welfare of the old cotton growers. The gentleman understands that in these matters you cannot give anybody any cotton acreage unless you take it away from somebody else. Taking into account the welfare of all of the cotton growers of Mississippi I think this is just as far as the committee can afford to go.

Mr. RANKIN. Then why not take it from the big farmer who puts everything into cotton and give it to the little fellow who raises corn, and peas, hogs, and cows, give him more cotton acreage in order that he may pay his taxes?

Mr. PACE. I think we have gone just as far in that direction as the committee or the Congress will want to go—much further than with any other commodity.

Mr. RANKIN. No; you are applying the strait-jacket to the peanut and tobacco growers; it will not work with the cotton farmers.

Mr. LARCADE. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. LARCADE. As the gentleman from Georgia probably knows, this year there has been a general infestation of boll weevils in my section of Louisiana.

Mr. PACE. It has not been peculiar to the gentleman's State.

Mr. LARCADE. The question arises under the circumstances whether or not it would be possible to get an increased allocation for that portion of the State that was hurt by this infestation.

Mr. PACE. No; the bill does not deal with the question of production; it deals with the question of acreage.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. ALBERT. I have been asked whether Members representing the peanut-producing districts of Virginia and North Carolina agreed to the provisions of this bill, and it is my understanding that they did.

Mr. PACE. It was represented to the conferees that while they were in no way enthusiastic about it, that in the light of all the circumstances they did not make any objection.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. BECKWORTH. It was pointed out in the debate the other day that eight-tenths of 1 percent of the peanut acreage went to new peanut farmers.

Mr. PACE. Yes.

Mr. BECKWORTH. Eight-tenths of 1 percent.

Mr. PACE. That is not dealt with in this bill.

Mr. BECKWORTH. The gentleman does not think that will occur with reference to cotton?

Mr. PACE. No.

Mr. BECKWORTH. Then the gentleman pointed out that Oklahoma lost 54 percent of her peanut acreage under the peanut quota. I believe it was said that she had a loss of 50 percent of her wheat acreage. The gentleman does not think anything like that might happen in regard to cotton, does he?

Mr. PACE. No, it will not. We have tried to give sympathetic consideration to the situation in Oklahoma, so ably represented on the committee by the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. The national allotment on wheat is already out. Oklahoma has taken about a 20-percent cut in wheat which is in line with cuts taken by the other States. We will get an additional 150,000 acres under this bill. We did take a 40-percent cut in peanuts and one county did take a 57-percent cut last year. Our State did not take a 57-percent cut in peanuts last year. Under this bill, we will take no cut next year.

Mr. BECKWORTH. I was simply using the figures as used by the chairman of the subcommittee here the other day. If he was mistaken, it is his mistake, not mine.

Mr. PACE. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. HOFFMAN of Michigan asked and was given permission to revise the remarks he made yesterday under a special order.)

Mr. MURRAY of Wisconsin. Mr. Speaker, there is no reason why we as a Congress cannot protect the weak from the strong without being called Communists. I realize the fears of the gentleman from Illinois [Mr. SABATH] and the gentleman from Mississippi [Mr. RANKIN], and I do wish to call attention to two facts.

I have served here with the gentleman from Georgia [Mr. PACE] for 10 years. If there is any Member of Congress who is interested in the average or small-type farmer, it is the gentleman from Georgia [Mr. PACE]. But he is just one Member.

The second point is, if this program is not carried out to an exact nicety in every county in the United States, I do not think we should take the position that we are going to blame the gentleman from Georgia [Mr. PACE] for it, either, because that is not going to be his responsibility. That is going to be the responsibility of the executive branch of our Government.

I also realize that the gentleman from Texas [Mr. BECKWORTH] the other day brought up something that surely is of interest to every person who has followed the agricultural trends in this country. We have one wheat grower who has grown practically 600,000 bushels of wheat this year. We only need about a thousand of such producers in the United States. We have comparable growers producing other agricultural products in abundance. That is why and where we get the surpluses. We need only a few hundred of those in the United States. But we must remember when we go into that kind of farming, be it in this country or in any other country, and have the land all owned by a few people, they always end up in trouble. Our thinking should support the idea that was brought out the other day by the gentleman from Texas [Mr. BECKWORTH].

There are other problems involved in two big farm operations. There is the social problem involved. We have to have some kind of base to protect the small operator, and I say that without any danger of being accused of demogoguery because my State of Wisconsin is based upon the family-sized farm. Our farms are largely family farms that are largely owned and operated by the family. There is very little farm tenancy in the State. I feel that the welfare of the Nation depends upon these family farms. We do have many, many social problems that result from the land being owned and operated by the few.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Mississippi.

Mr. RANKIN. The other day the gentleman from Texas [Mr. BECKWORTH] offered an amendment to guarantee every little farmer the right to plant 5 acres of cotton. That amendment was voted down, and they were denied that privilege. They are the ones the county committees have found to be the legitimate cotton farmers. That is not the new man who is coming in. With the boll-weevil situation raging as it is, he could not pay the taxes on his land with less than 5 acres of cotton. So you are squeezing him out of the picture.

Mr. MURRAY of Wisconsin. I do not have to defend the gentleman from Georgia. But, let me call your attention to the fact that the committee worked for 6 months or more on this particular legislation. I am sure that the gentleman from Georgia [Mr. PACE], during all of that time, in his mind and in his heart, was trying to protect the same people that the gentleman from Texas

[Mr. BECKWORTH] called to our attention. Rome was not built in a day, and it takes time to unscramble these legislative eggs.

I feel that a majority of the Members believe in a farm program based on the family unit. I think the next turn in legislation will be in that direction. We do not want a few big landowners, and many agricultural peasants. For the future of our country we want to build up the family units. I hope that will eventually be accomplished.

Mr. PACE. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. WILLIS].

(Mr. WILLIS asked and was given permission to revise and extend his remarks.)

Mr. WILLIS. Mr. Speaker, the gentleman from Texas [Mr. BECKWORTH] revealed some startling facts during the debate on this floor a few days ago when we were considering the merits of the bill having to do with cotton acreage allottments, and which is now before us again on consideration of the conference report. He said that only 50 percent of income received from cotton goes to seven-eighth of producers, while the other 50 percent goes to one-eighth of the planters. This means, Mr. Speaker, that seven-eighths of all the small cotton farmers put together derive merely 50 percent of the income, while the large planters with mechanized facilities, numbering only one-eighth of the people producing cotton get 50 percent of the income from cotton.

More disturbing still is the fact that what is happening to the small tiller of the soil in the cotton industry is also happening to all our other farming industry. When we were considering the general legislation with regard to the parity and support price program a few weeks ago, I was amazed and astounded to read from the report of the Committee on Agriculture that 2 percent of the farmers in the United States produce 25 percent of all our farm products. Here again this handful of 2 percent of producers comprise large operators, many of whom and perhaps most of whom are corporate and absentee land owners.

But that is not all, Mr. Speaker. Stated in a different way and translated in terms of money, the foregoing means that of all money we appropriate to support the cotton program, 50 percent is paid to only one-eighth of the large cotton planters, while seven-eighths of all the little men behind the plow receive only 50 percent, and taking agriculture as a whole, it means that of all the money we make available for agriculture 25 percent thereof is paid to 2 percent of the large land-owners, and 98 percent of the small farmers, the tillers of the soil, derive only 75 percent of the benefits.

The only consoling feature about this situation is the fact that the great House Committee on Agriculture is composed of such stanch friends of agriculture as its chairman, the gentleman from North Carolina [Mr. COOLEY], and such distinguished members as the gentleman from Georgia [Mr. PACE], the gentleman from Mississippi [Mr. ABERNETHY], and others equally qualified.

Still, Mr. Speaker, I have some misgivings about the proposed cotton acreage and allotment program. I earnestly hope that it will work to the interest of the small cotton farmers and that the facts which I have given will provoke the careful thought of the committee and result in further study if necessary.

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

(Mr. D'EWART asked and was given permission to revise and extend his remarks.)

Mr. D'EWART. Mr. Speaker, the provisions of the conference report on acreage allotments will correct a grave injustice that has been done to Montana wheat farmers under the old law.

Montana, one of the principal wheat producing States of the Nation, will receive a much more favorable acreage allotment under the terms of this proposal.

The wheat farmers of my State were greatly alarmed at the 23 percent cut in wheat acreage which was decreed by the Secretary of Agriculture a few weeks ago. They compared this reduction with the national average reduction of only 17 percent and the smaller reductions of other wheat States and they felt they were being asked to make too great a sacrifice.

At that time I stated I would work for and support legislation to correct the allotment system so that our State and others in a similar position would receive proper consideration. I am glad to note that this conference report will do just that. In adopting the report, the Congress will prevent a serious and needless injury to the agricultural economy of my State.

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, this is a unanimous committee report. As a member of the Committee on Agriculture, I am sure that I never witnessed a more constant and thorough attention to legislation than was given to this bill by our good subcommittee chairman, the gentleman from Georgia [Mr. PACE]. I am sure the committee and the House appreciates how hard he has worked on the many problems that arise over details of such legislation. Congressman PACE has demonstrated his broad and thorough understanding of the issues involved in crop acreage controls from the standpoint of the small farm producers as well as the problems of larger farm operators.

Mr. Speaker, several counties in the State of Colorado were critically affected by the Secretary of Agriculture's proclamation of 1950 wheat-acreage allotments. Colorado was reduced nearly 1,000,000 acres—over 35 percent. Several counties in the Second Congressional District of Colorado that had increased their wheat acreage since 1946 were critically curtailed and some wheat farmers placed in a position where their operations could not possibly continue to be successful.

In section 5 of S. 1962, cotton-acreage allotments and marketing quotas, provision was made for the protection of farm-acreage allotments of wheat for the 1950 crop.

Before discussing the section of this bill that protects the wheat growers of Colorado, let me review briefly how the Department of Agriculture arrives at the wheat-acreage allotments.

The national acreage allotment for wheat is the acreage which the Secretary of Agriculture determines on the basis of the national average yield will produce an amount of wheat together with the estimated carry-over at the beginning of the marketing year to make available a supply of wheat equal to a normal year's domestic consumption and exports plus 30 percent.

The national acreage allotment is then apportioned among the several States on the basis of the acreage seeded for the production of wheat during the 10 calendar years immediately preceding the calendar year in which the allotment is determined—plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs—with adjustments for abnormal weather conditions and for trends in acreage during such period.

The State acreage allotment is then apportioned among the counties in the State, on the basis of the acreage seeded for the production of wheat during the 10 calendar years immediately preceding the calendar year in which the national acreage allotment is determined—plus in applicable years, the acreage diverted under previous agricultural adjustment program—with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil conservation practices.

The allotment to the county is then apportioned through the local committees among the farms within the county on the basis of tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 percent of the county allotment is required to be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made.

You will observe that under the preceding paragraph the law does not actually require that farm acreage allotments be based upon prior history, except that a farm to be eligible for an old farm allotment must have had wheat planted during one of the immediately preceding years. However, in administering the act the Department has given principal weight to the prior wheat history of the farm in making the farm allotments.

Notwithstanding any of the foregoing provisions, this bill, H. R. 5738, provides for the establishment of minimum farm acreage allotments for the 1950 crop. Under the provisions of section 5 of the bill the farm acreage allotment of wheat for the 1950 crop may not be less than the larger of, first, one-half of the acreage on the farm seeded for the production of wheat in 1949 and any other acreage on the farm which was seeded for the production of wheat in 1948, but which

was summer fallowed and on which no crop was harvested in the calendar year 1949; or, second, one-half of the acreage on the farm seeded for the production of wheat in 1948 and any other acreage on the farm which was seeded for the production of wheat in 1947, but which was summer fallowed and on which no crop was harvested in the calendar year 1948, adjusted in the same ratio as the national average seedings for the production of wheat during the 10 calendar years 1939–48 as adjusted bears to the national acreage allotment for 1950. The additional acreage required by virtue of this section is to be in addition to the county, State, and national acreage allotment.

This provision was designed to afford relief to those farms and those areas which have substantially expanded their wheat acreage in the last one or two years and which, if it were not for the relief provided by this provision, would suffer a reduction in 1950 greatly out of proportion to the reduction taken by other farms generally. This provision also gives recognition to good farming practices by giving credit to summer fallowed land. This provision is also of great importance in areas where summer fallowing is customarily practiced and will put those farms on which good farming practices have been followed on an equal footing with farms which have been fully cropped.

This is very necessary legislation and I am sure will bring immediate relief to many sections in the West.

Estimated maximum increased acreage resulting from application of this wheat amendment

Colorado	500,000
Montana	350,000
Texas	150,000
Oklahoma	150,000
Kansas	100,000
Idaho	100,000
Wyoming	50,000

As part of my remarks I enclose a letter from the Eastern Colorado Development Association:

EASTERN COLORADO
DEVELOPMENT ASSOCIATION,
Eads, Colo., August 2, 1949.

Hon. Representative WILLIAM S. HILL,
House Office Building,
Washington, D. C.

DEAR MR. HILL: The Eastern Colorado Development Association wishes to thank you for the interest you have shown and the efforts you have put forth to forestall economic disaster in the High Plains area. Your recent bill containing provisions for wheat acreage allotments is clear evidence of your complete understanding of our situation.

We of ECDA have discussed your bill thoroughly with representative groups in this area, and the following comments will show its unanimous acceptance by eastern Colorado wheat farmers.

1. The bill will forestall economic disaster among wheat farmers in this area. The present law does not provide for expanded areas and is thus a detriment to soil conservation programs and good farming practice.

2. The provisions of the bill promote good farming practices. The practice of summer fallowing semi-arid lands is well established and proven. The enforcement of this practice will be regarded as a milestone in furthering the development of this rich farming area.

3. The plan is workable. All farmers in this area realize the benefits of strong Government support and are willing to cooperate with acreage allotments as long as good practices are not penalized, and such action by Government is required to stabilize the industry.

4. The plan is reasonable. Inasmuch as the national cut is the maximum cut expected of any farmer, regardless of historical background, our farmers accept the plan as reasonable and pledge to support same.

5. The error in total acreage of a State is eliminated. The present acreage figures used by State PMA in securing a base for what acreage are admittedly in error. The bill is a guaranty to every farmer that his full acreage will be used to determine his seeded acres.

Again we thank you and give our assurance of support when this bill becomes law.

Very truly yours,
H. O. WALES, *President.*

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PACE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was granted permission to extend his remarks in the RECORD and include a pamphlet written by a great Baptist minister who began his career in the State of Texas and is now known throughout the world, Rev. Frederick Brown.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks and also to extend his remarks in the RECORD in two instances and in one to include a table.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article on China. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $273.34, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WILLIAMS. Mr. Speaker, earlier today I was granted permission to extend my remarks in the Appendix of the RECORD in one instance. I ask unanimous consent to extend my remarks in the RECORD in two instances and include editorials.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the conference report. I want to show that these little cotton farmers furnished a larger proportion of their sons to this war than any other class in America.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SELECT COMMITTEE ON LOBBYING ACTIVITIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 298 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there is hereby created a Select Committee on Lobbying Activities to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

The committee may from time to time submit to the House such preliminary reports as it deems advisable; and prior to the close of the present Congress shall submit to the House its final report on the results of its study and investigation, together with such recommendations as it deems advisable. Any report submitted when the House is not in session may be filed with the Clerk of the House.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any Member designated by him, and may be served by any person designated by such chairman or Member. The chairman of the committee or any Member thereof may administer oaths to witnesses.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COLMER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Abbitt	Bishop	Breen
Andresen, August H.	Bland	Brooks
	Blatnik	Buckley, N. Y.
Bailey	Boggs, La.	Bulwinkle
Baring	Bolling	Burleson
Barrett, Pa.	Bolton, Ohio	Burton
Bentsen	Bosone	Canfield

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. HOLLAND, Mr. GILLETTE, Mr. AIKEN, and Mr. THYE conferees on the part of the Senate.

AMENDMENT OF COTTON AND WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, I submit a conference report on Senate bill 1962, to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of Thursday, August 11, 1949, pp. 11540–11543.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REORGANIZATION PLAN NO. 7—LETTER FROM DIRECTOR OF THE BUDGET AND OPINION OF THE ACTING ATTORNEY GENERAL

The VICE PRESIDENT. The Chair has received a letter from the Director of the Budget, Mr. Pace, accompanying an opinion by Acting Attorney General Peyton Ford, on Reorganization Plan No. 7. The Chair would like to have Mr. Pace's letter read, and asks unanimous consent that the opinion of the Acting Attorney General be printed in the RECORD, for the information of the Senate.

The legislative clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 16, 1949.

Hon. ALBEN W. BARKLEY,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: With reference to S. Res. 155 introduced by Senator HAYDEN on August 15, 1949, relative to Reorganization Plan No. 7, now under consideration in the Congress, I would like to advise you that under date of June 20, 1949, the President was advised by the Attorney General that Reorganization Plan No. 7 met with his approval as to form and legality and complied with the provisions of the Reorganization Act of 1949.

The President's attention was called to opposition to plan No. 7 on the grounds referred to in Senate Resolution 155 and he requested a further expression of views from the Department of Justice. In reply the Acting Attorney General transmitted to the President on August 13, 1949, a formal opinion reiterating the view of the Department of Justice that Reorganization Plan No. 7 was in every respect in compliance with the provisions of the Reorganization Act of 1949 and would become effective according to its terms.

With the approval of the President, I am transmitting herewith a copy of the opinion of the Acting Attorney General so that it may be available for consideration by the Congress. To this end may I respectfully request that the opinion be placed in the CONGRESSIONAL RECORD.

Sincerely yours,

FRANK PACE, Jr.,
Director.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

AUGUST 13, 1949.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: You have asked my views as to whether the enactment of the Federal Property and Administrative Services Act of 1949, Public Law 152, Eighty-first Congress, approved June 30, 1949, has affected the validity or effectiveness of Reorganization Plan No. 7 of 1949.

The reorganization plan was transmitted to the Congress on June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949 approved the same date. The plan, in brief, transfers the Public Roads Administration, together with its functions, from the Federal Works Agency to the Department of Commerce. At the time the plan was submitted to the Congress, the bill which became the Federal Property and Administrative Services Act of 1949 had been passed by the House of Representatives, had been unanimously approved by the Senate Committee on Expenditures in the Executive Departments, and was awaiting final action on the floor of the Senate. That act transfers to the General Services Administration the functions of the Federal Works Agency, including "the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads." (Sec. 103 (a).)

In your message transmitting the plan, you adverted to the fact that the pending Federal property bill provided a different disposition of the Public Roads Administration from that provided in the plan. To carry out your intention that the Public Roads Administration should be in the Department of Commerce, you specifically provided in section 4 of the plan that, "The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan." The reasons for including this provision in the plan were stated in your message transmitting the plan, as follows:

"In establishing the General Services Administration the Federal Property and Administrative Services bill transfers to the Administration all of the functions and units of the Federal Works Agency. Part of these functions relating to the housing of the governmental establishment clearly fall within the purpose of such an administration. Certain other functions of the Federal Works Agency, however, bear very little real relation to the objectives of the General Services Administration. The congressional committees which have dealt with the bill have frankly indicated that further consideration must be given to the proper location of some of the programs of the Federal Works Agency. The sooner these unrelated programs can be removed from the new agency, the sooner it can concentrate its efforts upon improving administrative services throughout the executive branch and make the contribution to governmental efficiency for which it has been designed.

"Principal among the programs of the Federal Works Agency which are unrelated to the General Services Administration are those of the Public Roads Administration. This agency is primarily engaged in the administration of Federal grants to States for highway purposes rather than in the performance of services for other Federal agencies. Its functions, therefore, do not fall within the field of activities of the General Services Administration. Their inclusion cannot but complicate and impede the development of the General Services Administration in the performance of its intended purpose. This reorganization plan will eliminate such a difficulty.

"Since the Public Roads Administration will be transferred bodily from one major agency to another, it is not to be expected that this reorganization will directly result in any appreciable reduction in its expenditures at this time. However, the plan will make for better organization and direction of Federal programs relating to transportation. Assuming the early enactment of the Federal Property and Administrative Services bill, the plan will also materially simplify the development of the proposed General Services Administration and thereby facilitate improvements in the efficiency of administrative services throughout the Government."

Reorganization Plan No. 7 was thus drawn in contemplation of the fact that the Federal Property Act would probably be enacted at some stage during the 60-day waiting period. After careful consideration in the Department of Justice as to compliance of the plan with every provision of the Reorganization Act of 1949, the plan was approved as to form and legality. It was and is the considered opinion of this department that the plan is valid and will take effect according to its terms.

It has been suggested, however, that plan No. 7 will not take effect upon the expiration of 60 days following its submission. After careful study, the Department of Justice remains of its previous opinion, i. e., that the plan is valid and will take effect.

The objection has been raised that during the 60-day waiting period the Federal Works Agency went out of existence, and therefore that the plan seeks to transfer from a nonexistent agency, the Federal Works Agency, another nonexistent agency, the Public Roads Administration.

The assumption appears to be that by reason of the abolition of the Federal Works Agency nothing remains upon which the President can exercise his power of reorganization. This assumption is untenable. The Reorganization Act of 1949, as was the case with previous reorganization acts, deals primarily with functions and only secondarily with the transfer or abolition of agencies. What is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence; functions which were not in their substance affected by the enactment of the Property Act of 1949. Plan No. 7 calls for the transfer of public roads functions to the Department of Commerce. That is a result which can actually and legally be achieved despite the enactment of the Federal Property Act.

A second objection to plan No. 7 which has been raised is based on an interpretation of the provisions of section 9 (a) (1) of the Reorganization Act of 1949 to the effect that that section was designed to anticipate the case where, following the submission of a reorganization plan, the Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. Obviously, however, this is a misconstruction of section 9 (a) (1). That section provides:

"Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such

reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

Section 9 (a) (1) is clearly intended as a saving provision, designed to keep substantive authority and functions alive despite the fact that the power to exercise such authority or functions is transferred by reorganization plan. Compare, for example, section 305 (a), of the National Security Act of 1947.

It should be noted further that even if section 9 (a) (1) were to be interpreted as dealing with legislation passed between the time a plan is submitted and the time it becomes, effective, the second clause of that section would in any event permit a reorganization plan to take effect where the intervening statute "has vested the function in the agency from which it is removed under the plan." In other words, with reference to the situation presently presented by plan No. 7, the second clause of section 9 (a) (1) would, in substance, read as follows:

"Where any such statute [enacted before the effective date of a reorganization plan, i. e., in this instance the Federal Property and Administrative Services Act of 1949] * * * has vested the function in the agency from which it is removed under the plan [i. e., the General Services Administration], such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency [i. e., the Department of Commerce] under which the function is placed by the plan."

As stated above, plan No. 7 provides for the transfer of the public-roads functions to the Department of Commerce and specifically provides that the provisions of the plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of the plan. In addition, as stated above, your message transmitting the plan clearly set forth the relationship of the plan to the pending Federal property bill and the intention of the plan to effect the transfer of public-roads functions to the Department of Commerce from the General Services Administration in the event the Federal property bill was enacted before the plan became effective.

Plan No. 7, and the message by which it was transmitted to the Congress, must, of course, be read together. Under the Reorganization Act of 1949 the President is required to prepare and transmit a message with respect to each reorganization plan submitted. The message transmitting the plan must be considered an integral part thereof. Reading plan No. 7 and the message together, there can be no question but that the plan transfers the public-roads functions from the General Services Administration to the Department of Commerce.

It has been noted that the second clause of section 9 (a) (1) of the Reorganization Act of 1949 affords strong support for the validity of Reorganization Plan No. 7. Moreover, no provision of the 1949 act has been or can be cited as directly forbidding the type of reorganization proposal which is contained in plan No. 7. The Reorganization Act of 1949 was intended to be a very broad grant of power to the Executive—much broader than had previously been granted by the Congress in the 1945 act. This was in fact requested in your message of January 17, 1949, in which you asked the Congress to pass legislation containing the necessary authority for broad reorganization of the executive branch.

S. 526, which became the Reorganization Act of 1949, was presented to the Senate by Senator McCLELLAN with the statement that it was designed to provide broader power to the President than had the 1945 act. Senator McCLELLAN caused to be printed in the CONGRESSIONAL RECORD a comparison of the provisions of the bill with the 1945 act (CONGRESSIONAL RECORD for January 17, 1949, pp. 311–315). From this comparison it appears that one of the principal changes effected by the 1949 act was the omission of section 5 (e) of the Reorganization Act of 1945, which imposed an important limitation upon the President's power to reorganize. Section 5 (e) of the 1945 act provided:

"If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency."

This section in the 1945 act clearly restricted the power of the President to submit a plan which would have the effect of undoing recent congressional action, including congressional action taken between the time of submission of a reorganization plan and the time of its taking effect. Parenthetically it may be noted that the 1945 act also contained a section almost exactly similar to section 9 (a) (1) of the 1949 act—proving that that section could not have been intended to have the effect of interfering with the operation of a plan due to the passage of intervening legislation, as has been asserted, since the submission of a conflicting plan would have been forbidden under the 1945 act by section 5 (e).

The Reorganization Act of 1949 contains no such restriction upon the power of the President as was contained in section 5 (e) of the 1945 act. The fact that the Congress omitted this prohibition from the 1949 act is clear indication of its intention to leave the President free to reorganize the executive branch of the Government regardless of legislation enacted prior to the taking effect of a reorganization plan.

There can be no question, therefore, that the day after signing the Federal Property Act of 1949 you could have submitted a reorganization plan undoing the transfers effected by that act, and the Congress would then have had 60 days within which to consider whether or not to disapprove such a proposal. This being so, the only question raised in the present situation is whether the Reorganization Act of 1949 contains any restriction upon the authority of the President to reorganize the executive branch which would prevent his anticipating the passage of legislation then pending in the Congress and submitting a plan providing for the achievement of a particular transfer 60 days later regardless of the passage in the interim of the pending legislation having a different effect. An examination of the 1949 act discloses no such restriction.

To reach a result adverse to the effectiveness of Reorganization Plan No. 7 we would have to conclude that the action of the Congress in passing the Federal Property Act of 1949 in effect repealed the authority given to the President under the Reorganization Act. Implied repeals are, of course, not favored. Nor is there anything to indicate that such a repeal was intended by the Congress. Compare Public Law 216, Eighty-first Congress, approved August 10, 1949.

Reorganization Plan No. 7 was in fact pending before final action was taken by the Congress on the Federal Property Act. When you approved the Property Act you did so after having fully disclosed, in Reorganization Plan No. 7, your intention that the functions of the Public Roads Administration should ultimately be vested in the Department of Commerce. If the Congress disagrees with this result, it possesses power to express its views under the provisions of the Reorganization Act of 1949.

Respectfully yours,

PEYTON FORD,
Acting Attorney General.

REORGANIZATION PLAN NO. 2

Mr. LUCAS. Mr. President, on yesterday and on a previous occasion the Senator from Illinois discussed Reorganization Plan 2, which has been reported adversely by the Committee on Expenditures in the Executive Departments. I advised the Senate that as soon as the Senate disposed of the resolution dealing with the Reorganization Plan No. 1, we would then proceed immediately to consider the resolution dealing with Reorganization Plan No. 2. It was the understanding on last evening that after the Senate had voted today we would take a recess until tomorrow.

I have discussed the question of limitation of debate upon Reorganization Plan No. 2 with the Senator from Nebraska [Mr. WHERRY], the minority leader, and with other Senators. They have agreed that we can limit the time of debate to 4 o'clock by meeting tomorrow at 11 o'clock in the morning. I shall place a unanimous-consent request before the Senate, and I trust that all Senators will cooperate with me in this request.

Mr. President, I ask unanimous consent that on Wednesday, August 17, 1949, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon Senate Resolution 151 disapproving Reorganization Plan No. 2, the time to be equally divided between the distinguished Senator from Arkansas [Mr. McCLELLAN] and the distinguished Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, will the majority leader yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Would the Senator from Illinois again restate the hour at which the vote is to be taken? It is very difficult to hear in this Chamber.

Mr. LUCAS. I regret that I did not speak more clearly. The request is that on Wednesday, August 17, 1949, at the hour of 4 o'clock, the Senate proceed to vote, without further debate, upon Senate Resolution 151.

Mr. McCLELLAN. Mr. President, reserving the right to object, and I shall not object if that time is generally satisfactory to other Senators. I will say that I know of no great number of Senators who desire to speak on Reorganization Plan No. 2. I wonder if we can enter into another unanimous consent that immediately after the vote is taken on Reorganization Plan No. 2, the Senate begin consideration of the resolution dealing with Reorganization Plan No. 7, Senate Resolution 155, disapproving of plan No. 7, and that a vote be taken, let us say, at 6:30 tomorrow, so we may dispose of both matters tomorrow. I merely make that suggestion. Does the

[Public Law 272—81st Congress]
[Chapter 518—1st Session]
[S. 1962]

AN ACT

To amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"Sec. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"REFERENDUM

"Sec. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton

(including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

"(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices,

and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided*, That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: *And provided further*, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Except to the extent that the production on any such farm has contributed to the county and State allotments, any allotment established pursuant to

this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

"(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determines that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"FARM MARKETING QUOTAS

"SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES

"SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

"LONG-STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this Part shall not apply (1) to cotton the staple of which is one and one-half inches or more in length or (2) to extra long staple cotton designated by the Secretary which is produced from pure strain varieties of American Egyptian, Sea Island or other similar types of extra long staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable and when such varieties are produced in designated irrigated cotton-growing regions of the United States or other areas designated by the Sec-

retary as suitable for the production of such varieties. The exemptions authorized by this subsection shall not apply to any such cotton unless ginned on a roller-type gin.

"(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of any one or more of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such variety or varieties of cotton during the marketing year beginning in the next calendar year.

"The Secretary shall also determine and specify in such marketing quota proclamation the amount of the national marketing quota in terms of the quantity of such extra long staple cotton adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of this Act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such extra long staple cotton.

"INELIGIBILITY FOR PAYMENTS

"SEC. 348 (a). Any person who knowingly plants cotton on his farm in any year in excess of the farm acreage allotment for cotton for the farm for such year under section 344 shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended.

"(b) All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted to the farm under section 344 for such year."

SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Subsection (b) (3) (B) is amended to read: "'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current."

(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word "cotton" where it first appears and the language "40 per centum in the case of cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word "cotton" and (ii) by adding a new subparagraph (C) as follows:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting "(a)" before the first paragraph and by adding the following new paragraph:

"(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment."

(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum."

SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and".

SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(c) The national acreage allotment shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State shall be not less than (1) the allotment established for such State for the crop produced in the calendar year 1941, or (2) 60 per centum of the acreage of peanuts harvested for nuts in the calendar year 1948, whichever is larger: *Provided further*, That if the national acreage allotment in any year is less than two million one hundred thousand acres, then the allotment for each State after

being calculated as hereinabove provided shall be reduced by the same percentage as the State allotment (as so calculated) bears to the national allotment: *And provided further*, That the national acreage allotment for the crop year 1950 shall be not less than two million one hundred thousand acres."

SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

(A) 50 per centum of—

(1) the acreage on the farm seeded for the production of wheat in 1949, and

(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

(B) 50 per centum of—

(1) the acreage on the farm seeded for the production of wheat in 1948, and

(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national average seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938, as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided*, That no acreage shall be included under (A) or (B) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

Approved August 29, 1949.